

2021 Trends

A report on **accounting education**,
the **CPA exam** and **public
accounting firms' hiring
of recent graduates**



Requests for permission to make copies of any part of this work should be mailed to:
Permission Department, Association of Certified Professional Accountants (the Association),
220 Leigh Farm Road, Durham, NC 27707-8110

Contents

02	Introduction Letter of introduction from the Association's Academic in Residence Key insights Interpreting the data Changes to data collection CIP Codes in the Trends Report
08	CPA pipeline initiatives and programs
14	The supply of accounting graduates – bachelor's and master's
20	The supply of accounting graduates at all levels
33	The demand for public accounting recruits
45	Demographics of U.S. CPA firms
50	U.S. CPA Examination
55	Appendices Methods Endnotes

Letter of introduction from the the Association's Academic in Residence



Jan Taylor, CPA, CGMA, Ph.D.

Academic in Residence, Academic &
Student Engagement
Association of International Certified
Professional Accountants

Thank you for your interest in the *2021 Trends: A report on accounting education, the CPA exam and public accounting firms' hiring of recent graduates* report (Trends report). The AICPA first published the Trends Report in 1971; it has been published on a biennial basis since 2009. This semi-centennial edition of the report identifies key trends in U.S. accounting enrollments and graduations as well as hiring in the public accounting sector, and provides select information about CPA Exam candidates.

This Trends report, in contrast to prior years' reports, provides graduate and demographic information based upon university data reported to IPEDS (see Changes to data collection on page 5 for more information about IPEDS) for the 2019–20 academic year in addition to abbreviated university responses regarding enrollment expectations for both the 2019-20 and 2020-21 academic years. Firms data presented in this report are a mix of statistical projections and descriptive statistics calculated from firm survey responses.

Many of you are aware of the joint AICPA and NASBA CPA Evolution initiative, which recognizes the rapidly changing skills and competencies required of today's CPA. The rapid pace of technological innovations, including data analytics, robotics and artificial intelligence, among others, are having a profound impact on how CPAs work, and are reflected in this report. Further, this particular report reflects conditions that were imposed on the global environment and economy by the COVID-19 pandemic. Responses received from participating U.S. universities and public accounting firms, as well as data gathered from IPEDS, all indicate that the CPA profession is evolving and provide us with data to evaluate the impact this evolution has on both the supply and demand of new accounting graduates.

It is important to understand that the demand data for Trends reports focus on public accounting hiring of new graduates and do not include data to evaluate trends in hiring of experienced accountants or in sectors outside public accounting. The AICPA understands that those seeking accounting careers are hired into a multitude of positions out of college and that the data may not be representative of all the opportunities afforded accounting graduates.

Once again, we are very appreciative of the universities and firms that took the time to participate in this longstanding research initiative as it provides essential insights to our many stakeholders and interested parties within the accounting profession. We hope that you find this report useful. The AICPA continues its commitment to grow the CPA pipeline and looks forward to working with both the academic and practicing communities to ensure a vital and strong profession for the next generation of CPAs. More information about this Trends report, including changes made in data collection, how to interpret the data, and key insights, are provided in the next section. Please reach out to our team at Trends@aicpa.org if you have any questions regarding the material in this publication.

Sincerely,

A handwritten signature in black ink that reads "Jan Taylor". The signature is written in a cursive, flowing style.

Jan Taylor, CPA, CGMA, Ph.D.

Key insights



Accounting graduates and enrollment expectations

Accounting graduates trended downward in the 2019–2020 academic year, with decreases of 2.8% and 8.4% at the bachelor's and master's levels, respectively. Accounting programs are optimistic about enrollments for the 2021–2022 academic year — 58% of both bachelor's and master's programs respondents reported that they expected enrollment for that academic year to be the same or higher than the 2020–2021 academic year. (Note: IPEDS data for 2020–2021 has not yet been released at the time of this publication).



Hiring and hiring expectations

Total hiring of new accounting graduates in 2020 has decreased by 10%, however there was a 2% increase in master's graduate new hires. New non-accounting graduates hired into accounting and finance functions have increased by 10 percentage points. The hiring mix continues to shift, with 57.3% of new graduate new hires being accounting graduates and 42.7% being non-accounting graduates. New accounting graduate new hires are increasingly being assigned to audit — a shift of 11.5 percentage points from 2018.

Of firms that hired one or more accounting graduates in 2020, 74% expect to hire the same number or more in 2022 as compared with 2021. Eighty-nine percent of all U.S. CPA firms expect to have the same number or more CPAs on staff in 2022 in comparison with 2021.



Diverse Hiring

In 2020, diverse hiring of new bachelor's and master's of accounting graduates into accounting/finance functions of U.S. CPA firms increased by almost five percentage points (includes multiethnic hires). Asian or Pacific Islander, Black or African American, and Hispanic or Latino new graduate new hires in accounting have all increased by near one or more percentage points (1.9, 0.6, 1.6 percentage points, respectively). These three groups comprise their highest (or very near their highest) percentage of the whole of new graduate new hires in the history of Trends' data collection.



CPA Examination

The number of new CPA Exam candidates entering the CPA pipeline decreased anomalously in 2020 due to short-term closings and the various restrictions at Prometric® test centers, with overall COVID concerns carrying forward into 2021. As such, while new CPA Examination candidates decreased less than 0.5% between 2018 and 2019, there was a 17% decrease between 2019 and 2020. A 6% increase occurred between 2020 and 2021.

The number of CPA Exam candidates who passed their fourth section of the exam decreased 11% between 2019 and 2020 after a 2% decline between 2018 and 2019. The number of successful candidates decreased 5.5% between 2020 and 2021.

Interpreting the data

The *2021 Trends report* includes both statistical projections and descriptive statistics.

The Trends report is broken down into major reporting sections: **trends in supply, trends in demand, firm demographics and CPA Exam candidate data**. There is an appendix that contains survey methodologies, and endnotes containing any changes or considerations for specific data.

The data presented for total graduates and graduate demographics comes directly from IPEDS – the postsecondary branch of the administrative data division of the National Center for Education Statistics (NCES). The NCES is the primary federal entity for collecting education data. These data are reported by universities directly to the NCES. Please see Changes to data collection on page 6 for more details.

The data presented for total hires are based on statistical projections. These projections are calculated by creating a model that is meant to predict population values based on data collected in the current survey cycle. These data should be used to look at the overall trends in the reporting areas, rather than taken as a statement of exact values.

Demographics and population breakdowns for new hires and firm demographics are descriptive statistics. The data received from respondents were weighted (based on variables such as the number of employed CPAs) to represent the total population. Demographic data by firm size are unavailable for this period due to insufficient sample sizes in several firm size categories.

This report includes only data that are comparable. Other changes or considerations are also endnoted within the report and can be examined in the appendices.



Please contact us at trends@aicpa.org with any questions or feedback as we strive to make the information in these surveys relevant to your needs.

Changes to data collection

Since 1971, the Association has asked universities to complete surveys regarding enrollment and graduate totals and demographic breakouts. This information is often difficult and time-consuming for university partners to collect.

As part of the 50th anniversary of the Trends report, we thoughtfully considered changes to the report to make it more useful and also less difficult for respondents. These considerations led us to change our primary means of data collection for the supply section of our report from statistical projections and generalizations based on respondent reporting to utilizing publicly available data hosted by the Integrated Postsecondary Education Data System (IPEDS). A shorter, less detailed survey was still sent to our university partners to collect data on enrollment expectations.

This change not only relieved the workload from our university partners, but also provided the opportunity for very accurate and accessible information. Because this data includes every school with a designated accounting major, no projecting or weighting is necessary. Additionally, while only data for all schools (or by region) is presented here, data is available online at nces.ed.gov/ipeds/ and can be customized in many ways. Users can choose the universities' data they would like to retrieve and can also choose the variables they are interested in comparing.

The biggest drawback of using the IPEDS data rather than respondent data for totals and demographics is that IPEDS does not collect enrollment data for specific programs — only graduation data are provided at a program level. Thus, we have discontinued all reporting of *enrollment* totals and demographics. Future enrollment expectations are still collected from university partners and reported.

About IPEDS

The Department of Education houses the National Center for Education Statistics (NCES). NCES is the primary federal entity for collecting education data. NCES's postsecondary administrative data division is IPEDS. IPEDS gathers information from over 6,000 universities and other institutions that participate in the federal student aid program.

The data contained in the IPEDS database are reported by universities directly to the NCES by institutional records offices. This data can be accessed by any person via the IPEDS website: nces.ed.gov/ipeds/use-the-data

CIP Codes in the Trends Report

The IPEDS database includes many variables, most of which are not reported in this publication. The main variables presented in this publication include demographic variables (i.e., gender and race/ethnicity), completions (i.e., graduates), and the Classification of Instructional Programs code (CIP code), which denotes the program of study.

For the Trends report, the data presented include completion data for all U.S. universities (including U.S. territories) for the following CIP codes:

52.0301: *Accounting.* A program that prepares individuals to practice the profession of accounting and to perform related business functions. Includes instruction in accounting principles and theory, financial accounting, managerial accounting, cost accounting, budget control, tax accounting, legal aspects of accounting, auditing, reporting procedures, statement analysis, planning and consulting, business information systems, accounting research methods, professional standards and ethics, and applications to specific for-profit, public, and non-profit organizations.

52.0302: *Accounting Technology/Technician and Bookkeeping.* A program that prepares individuals to provide technical administrative support to professional accountants and other financial management personnel. Includes instruction in posting transactions to accounts, record-keeping systems, accounting software operation and general accounting principles and practices.

52.0303: *Auditing.* A program that prepares individuals, including certified accountants, to perform independent internal and external appraisals to evaluate organizational financial and operational activities, ensure compliance with laws and policies, safeguard assets, and promote effective planning and resource allocation. Includes instruction in advanced accounting, audit tools and techniques, sampling, risk and control, audit planning, audit function management, law and regulations, environmental auditing, information technology applications, professional standards and ethics, and specific industry and service sector problems.

52.0304: *Accounting and Finance.* An integrated or combined program in accounting and finance that prepares individuals to function as accountants and financial managers or analysts.

52.0305: *Accounting and Business/Management.* An integrated or combined program in accounting and business administration/management that prepares individuals to function as accountants and business managers.

52.0399: *Accounting and Related Services, Other.* Any instructional program in accounting not listed above.

52.1601: *Taxation.* A program that prepares individuals to provide tax advice and management services to individuals and corporations. Includes instruction in tax law and regulations, tax record systems, individual and corporate income taxation, tax planning, partnerships and fiduciary relationships, estates and trusts, property depreciation, capital gains and losses, dispositions, transfers, liquidity, valuation and applications to specific tax problems.

Source The Classification of Instructional Programs
<https://nces.ed.gov/ipeds/cipcode/cipdetail.aspx?y=55&cipid=88885>

CPA pipeline
initiatives
and programs



CPA pipeline initiatives and programs

The AICPA acknowledges that there are challenges in the CPA pipeline that the pandemic accelerated. As a result, we are accelerating our efforts to reverse these trends evidenced in this report. The CPA pipeline is one of the AICPA's 2022 primary strategic initiatives. Numerous teams within the AICPA are all aligned in attracting high school and college students to the accounting profession and the CPA, providing education and support services to high school and college teachers, and collaborating with the many constituents engaged with the CPA Candidates as they journey through the CPA pipeline to licensure.

To address the US CPA pipeline's downward trend, we collectively need to promote:

- K-12 and high school students interest in accounting
- University students majoring in accounting and other related majors
- University students deciding to sit for the CPA Exam
- CPA candidates securing the CPA license
- Young professionals further exploring sitting for the CPA Exam
- The promotion of the accounting profession and the CPA license globally.

The AICPA continues to engage with universities, review course providers, firms, students, and candidates to educate and promote CPA Evolution as the continued support and promotion of CPA Evolution aligns with our comprehensive long-term strategic plan.

Working together in a multi-year, multi-prong approach, more resources than ever before are being focused to affect change and strengthen the volumes and quality of students interested and majoring in accounting, interest in the CPA license, CPA candidates securing the CPA license and in the accounting and CPA profession.

Current pipeline initiatives and programs are summarized below:

AICPA/NASBA CPA Evolution initiative

Launched in 2018 by the AICPA and the National Association of State Boards of Accountancy (NASBA), the CPA Evolution initiative is an effort to explore modifying the requirements for initial CPA licensure in response to the rapid pace of change in the environment in which CPAs operate. Technological innovations are changing both the services CPAs provide and how they provide them. The CPA profession must embrace these changes to maintain its strength and support evolving business needs while continuing to serve the public interest. In 2021, the AICPA and NASBA published a CPA Evolution Model* Curriculum to assist accounting faculty with integrating emerging topics into their curriculum to ensure the students are future-ready. In 2021, we launched monthly Faculty Hour webcasts to keep academics informed of the CPA Evolution developments and provide upskilling opportunities. In 2021, these webcasts were attended by 3,500 unique participants. (*Model = Example or Sample)

Academic Champions

The AICPA launched the Academic Champions program in 2016 to help encourage a pro-CPA culture on college campuses. The program provides support to academic faculty at select universities and community colleges to help them increase awareness of the CPA profession by using AICPA-provided resources and holding campus events each semester. This program currently has 55 Academic Champions who are fostering a stronger connection between their students and the accounting profession.

Academic Resource Hub (ARH)

The ARH contains a database of content for faculty to use in class, including cases, simulations, videos, articles, and more. This home for curated resources, which is suitable for a wide range of class levels, was created by the AICPA, AICPA teaching-award winners, academics, and Big Four and other accounting firms. The ARH also provides several other resources for faculty, such as our STEM Initiatives information page, links to register for the monthly Extra Credit newsletter (provides educators with articles on the latest developments in accounting education, helpful tips, and upcoming events), and information about the AICPA's certificate program discounts for faculty.

Accounting Program for Building the Profession (APBP)

The APBP program helps promote the accounting profession as a viable career option for high school students. To achieve this, the college-level program equips high school teachers with the tools needed to teach more advanced, engaging content in the classroom. Since its inception, this program has trained over 1,500 educators across 48 states and has exposed thousands of students to the many opportunities the accounting profession has to offer.

Accounting Doctoral Scholars Program (ADS)

In 2008, the AICPA launched the ADS program to address the shortage of qualified CPA-accredited faculty. The ADS program recruits CPAs to enroll in Ph.D. programs and ultimately join the faculty at universities and colleges throughout the United States. To date, the AICPA has recruited and funded 161 candidates with relevant practical experience into the program.

AICPA Fellowship for Minority Doctoral Students

The AICPA started the Fellowship for Minority Doctoral Students program in 1969 to ensure that CPAs of diverse backgrounds are visible in college and university classrooms. The program has increased the number of minority CPAs who serve as role models and mentors to young people in the academic environment and university classrooms. For the 2021–22 academic year, the AICPA awarded scholarships to 25 full-time accounting doctoral-level students, totaling \$300,000.

AICPA Foundation High School Scholarship and AICPA Legacy Scholarships

For over 50 years, the AICPA has helped grow the number of qualified high school and college students entering the accounting profession through scholarship funding. Scholarships are awarded to students who demonstrate the potential to become leaders in the CPA profession, who are taking nontraditional paths to becoming CPAs, or who help promote the growth of diverse, talented professionals in the accounting field. During the 2021–22 academic year, the AICPA awarded 160 of these scholarships, totaling over \$750,000 to AICPA student affiliate members who plan to receive a CPA designation.

AICPA Student Affiliate Membership

Launched in 2010, this membership is designed to help students interested in accounting from the earliest stages of their college careers through graduation. By joining the AICPA for free as a Student Affiliate, students get access to tools, webinars, resources, and exclusive discounts and scholarship opportunities.

Bank On It

This online accounting game is designed to challenge high school and college students on accounting fundamentals while providing real-world scenarios and reinforcing what they learn in the classroom. Since its launch in 2014, Bank On It has completed over 146,000 games and hosted over 450 tournaments on its site.

Diversity and inclusion initiatives

The AICPA works to encourage and promote diversity, equity, & inclusion within the CPA profession and its workforce, as we believe a workplace that is reflective and inclusive of the global communities in which they serve is greatly positioned to innovatively solve the challenging and complex issues facing clients and the evolving public interest. Through the various programs and resources outlined below, the AICPA Diversity and Inclusion team aims to help increase the pipeline of diverse students enrolling and graduating from accounting programs, earning the CPA credential and ensuring their successful transition into the profession. We also partner with our academic team to develop resources that will equip educators with the tools and training required to support the diverse population of future CPAs. The Diversity & Inclusion team's programs and resources include:

► AICPA Foundation Accounting Scholars Leadership Workshop

The Accounting Scholars Leadership Workshop (ASLW) is an annual invitation-only leadership event for ethnic minority college students. The Workshop will allow students to participate in learning sessions and panel discussions covering a wide array of topics, such as developing Leadership skills and the CPA exam.

▶ **AICPA Foundation Minority and Affinity Scholarships**

The AICPA Foundation provides funds for minority student scholarships each year to high-performing students for areas such as transferring from community college, pursuing their undergraduate or graduate degree in accounting and planning to obtain their CPA license.

▶ **Annual Accounting Profession Diversity Symposium**

The Annual Accounting Profession Diversity Symposium provides a platform for firms, universities/faculty and state societies to explore best practices and identify ways to overcome obstacles in filling the accounting pipeline with diverse professionals.

▶ **Future CPA Career Exploration Summit**

The Future CPA Career Exploration Summit is an event that aims to strengthen the pipeline of college students entering the profession from minority-serving institutions. We share the benefits of licensure, the limitless career possibilities in accounting and we provide networking opportunities with potential employers.

▶ **PCPS George Willie Ethnically Diverse Student Scholarship & Internship Program**

Through this opportunity, 10 aspiring CPAs from ethnic minority groups will secure an internship at one of the 10 co-sponsoring AICPA Private Companies Practice Section (PCPS) firms during busy season (January through April). Selected students will also receive up to \$10,000 in scholarship funds toward their final year pursuing an accounting-related degree.

▶ **PCPS Diversity and Inclusion Toolkit**

As firms strive to set priorities for increasing diversity and building a culture of inclusion, use this toolkit that offers suggestions for attracting, recruiting, retaining and advancing diverse talent.

▶ **We're About Success Leadership Program**

In partnership with Howard University's Center for Accounting Education, we provide young, ethnic minority professionals the opportunity to acquire the tools and resources needed to successfully advance to leadership levels.

▶ **University Career Services & Accounting Firms Partnership Toolkit**

This toolkit is a step-by-step resource focused on addressing the challenges that campus career service centers may be facing in regard to ensuring that their students are well-equipped professionally, being seen by recruiters, and receiving internship and job placement opportunities. This resource focused on establishing and maintaining an effective career that is to support accounting students. This guide provides recommendations for the successful creation and ongoing support of a career services function.

Engaging Subject Matter Experts

▶ **Academic Executive Committee (AEC)**

The AICPA has engaged the accounting academic community for over 100 years. A leading example is the AICPA's AEC. The AEC includes university and college accounting faculty, high school accounting teachers, accounting practitioners and state CPA societies from across the United States and serves to assist the AICPA in achieving its academic initiatives, programs and partnerships to grow and involve a community of diverse, well-prepared, highly qualified CPAs.

► **Faculty Hour Webcasts**

With the intent to keep faculty fully informed about pipeline initiatives and CPA Evolution, the Academic and Student Engagement team brings in subject-matter experts (SMEs), both internal to the Association and external faculty and practitioners and others. These SMEs have provided faculty with many of the tools needed to prepare the next generation of CPAs.

► **The Student Recruitment Committee (SRC)**

With the goal of encouraging and supporting the recruitment of talented students to become CPAs, the SRC is a volunteer committee comprised of 14 CPA volunteers. Along with presenting to students on the subject of the accounting profession, these individuals collaborate with their state societies on local events and programming, judge AICPA scholarship applications and work closely with the Academic and Student Engagement team on student pipeline initiatives.

Start Here, Go Places. (SHGP)

Created in 2002, SHGP provides accounting profession information to students and high school teachers that inspires students to join the accounting profession. The website provides over 100 unique classroom activities that teachers can download for free and use in their classroom. Additionally, SHGP also provides teachers with printed classroom resources.

State Societies Dual Recruitment

Starting in 2016, the AICPA has partnered with accounting state societies to jointly recruit student members. The partnership helps students enhance their connection to the profession and demonstrates the value of lifelong professional membership. Additionally, this program provides an avenue for the AICPA and state societies to share ideas, create efficiencies, and overcome pipeline challenges together. Currently the AICPA is partnered with 18 state societies and the effort has jointly recruited thousands of students since its launch.

STEM Initiative

Legislation is under consideration, via two proposed bills, one in the U.S. House of Representatives and one in the U.S. Senate, to encourage the advancement of accounting as a STEM subject matter. The Academic and Student Engagement team is working with the AICPA's Advocacy Team to promote this legislation and to inform academics about other ways they can promote accounting as a STEM subject, specifically how to change the Classification of Instructional Program (CIP) code for their accounting programs on university campuses.

This Way to CPA (TWTCPA) for students

TWTCPA was designed for college students interested in pursuing a CPA. Launched in 2010, this initiative helps provide the clarity and direction needed to obtain a CPA accreditation. Visitors learn about the education, work experience and exam and licensure process. The TWTCPA website features countless resources and 41 CPA profiles and 19 Exam profiles spanning 14 industries, including public accounting, forensics, corporate and more, to give students and graduates a better understanding of the profession and what it takes to become a CPA.

The **supply**
of accounting
graduates —
bachelor's
and master's

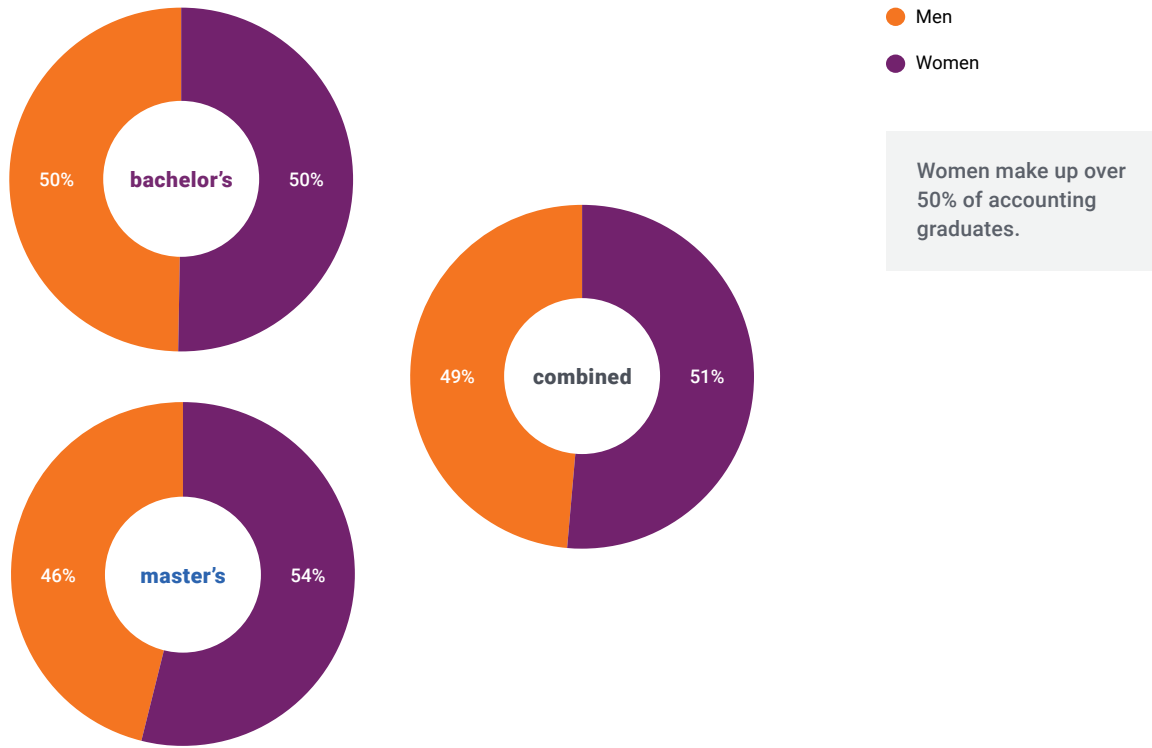


1.1 Trends in accounting degree completions – bachelor's and master's | 1994–2020

Academic year	Bachelor's		Master's		BS + MS Total
	Count	Count	Count	Count	
1994–95	45,469	6,153	6,153	6,153	51,622
1995–96	43,502	5,904	5,904	5,904	49,406
1996–97	41,852	6,190	6,190	6,190	48,042
1997–98	39,433	5,923	5,923	5,923	45,356
1998–99	38,949	6,204	6,204	6,204	45,153
1999–2000	36,666	6,428	6,428	6,428	43,094
2000–01	34,751	6,622	6,622	6,622	41,373
2001–02	34,719	7,340	7,340	7,340	42,059
2002–03	36,324	8,458	8,458	8,458	44,782
2003–04	38,804	10,008	10,008	10,008	48,812
2004–05	41,208	11,357	11,357	11,357	52,565
2005–06	43,689	12,247	12,247	12,247	55,936
2006–07	46,337	12,931	12,931	12,931	59,268
2007–08	47,860	13,842	13,842	13,842	61,702
2008–09	50,803	15,303	15,303	15,303	66,106
2009–10	55,002	17,426	17,426	17,426	72,428
2010–11	56,129	19,956	19,956	19,956	76,085
2011–12	57,483	20,865	20,865	20,865	78,348
2012–13	56,650	21,952	21,952	21,952	78,602
2013–14	55,734	22,403	22,403	22,403	78,137
2014–15	56,397	22,777	22,777	22,777	79,174
2015–16	56,715	23,139	23,139	23,139	79,854
2016–17	55,963	22,949	22,949	22,949	78,912
2017–18	55,377	23,141	23,141	23,141	78,518
2018–19	53,991	22,323	22,323	22,323	76,314
2019–20	52,481	20,442	20,442	20,442	72,923

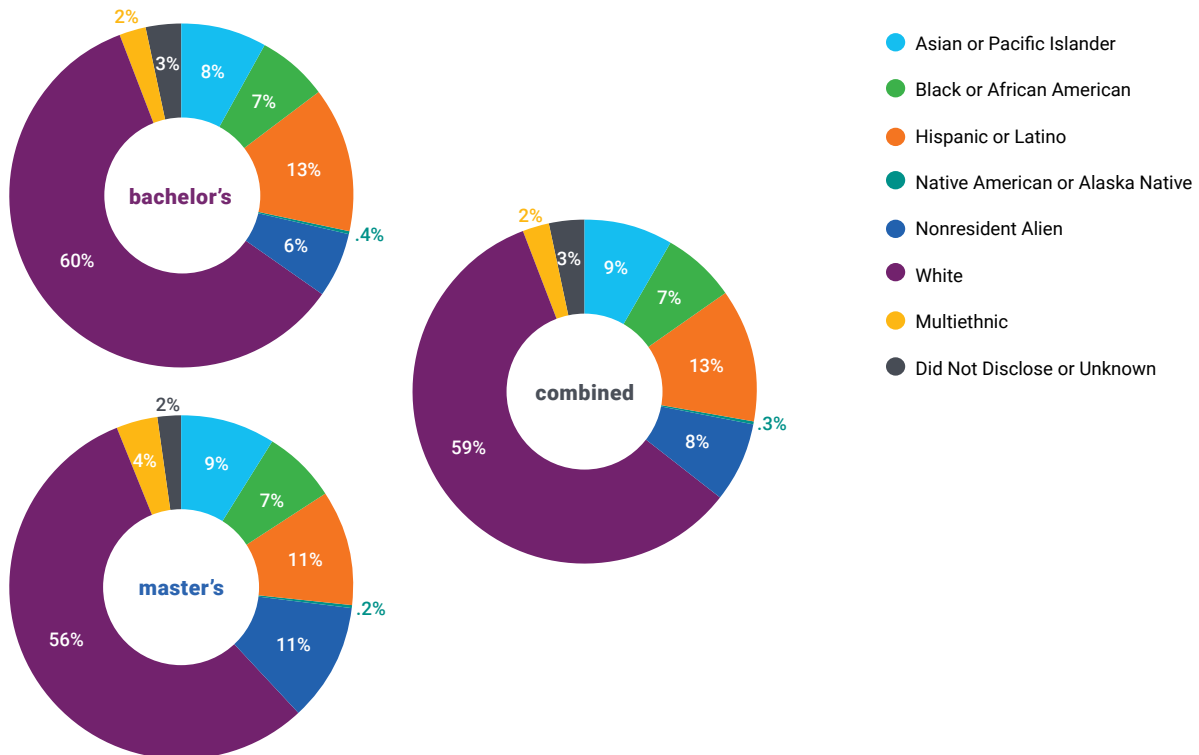
Source: IPEDS

1.2 New accounting completions by gender – bachelor's and master's | 2019–20



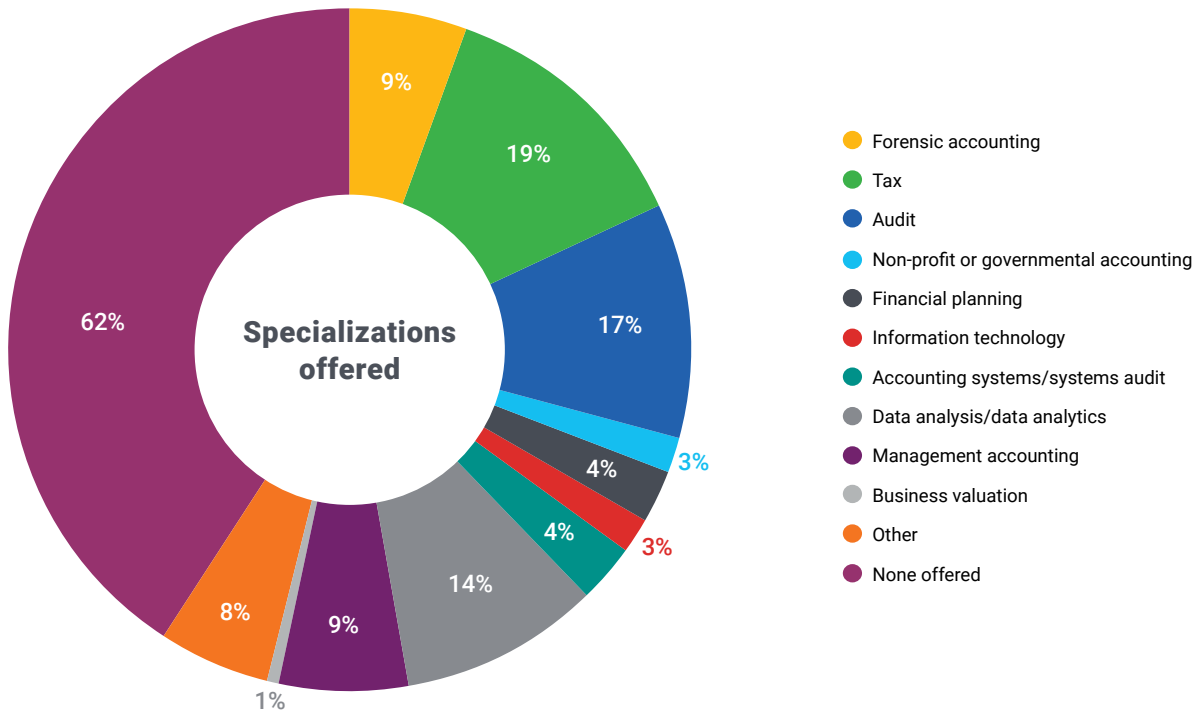
Source: IPEDS

1.3 New accounting completions by race/ethnicity – bachelor's and master's | 2019–20

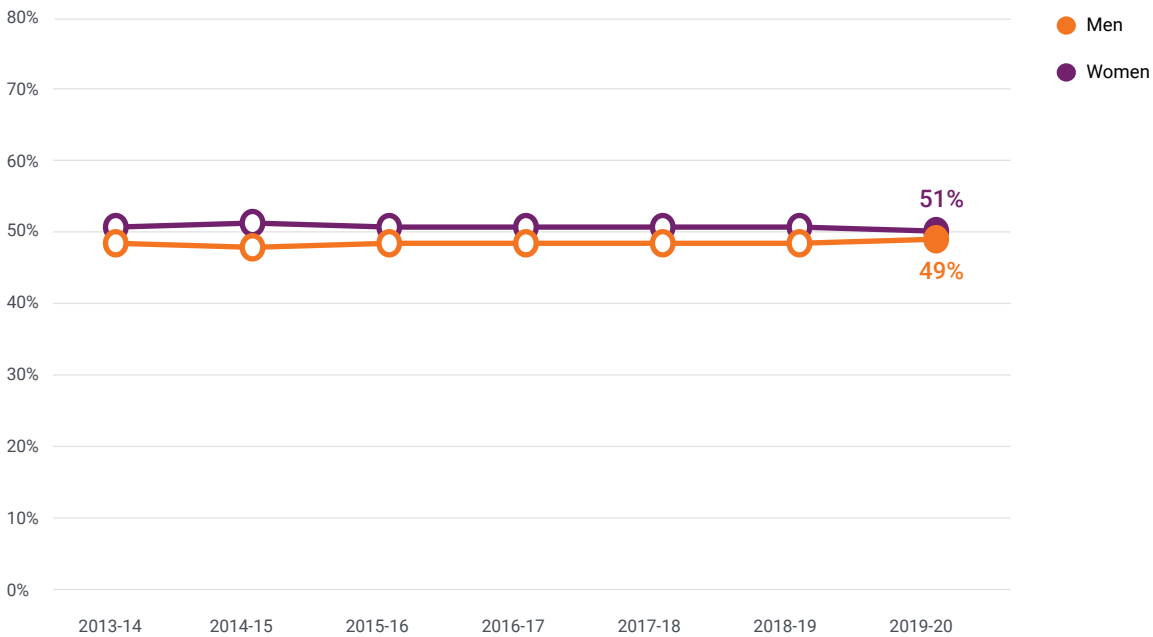


Source: IPEDS. See note A on page 58

1.4 Percentage of responding universities offering specializations | 2019–20

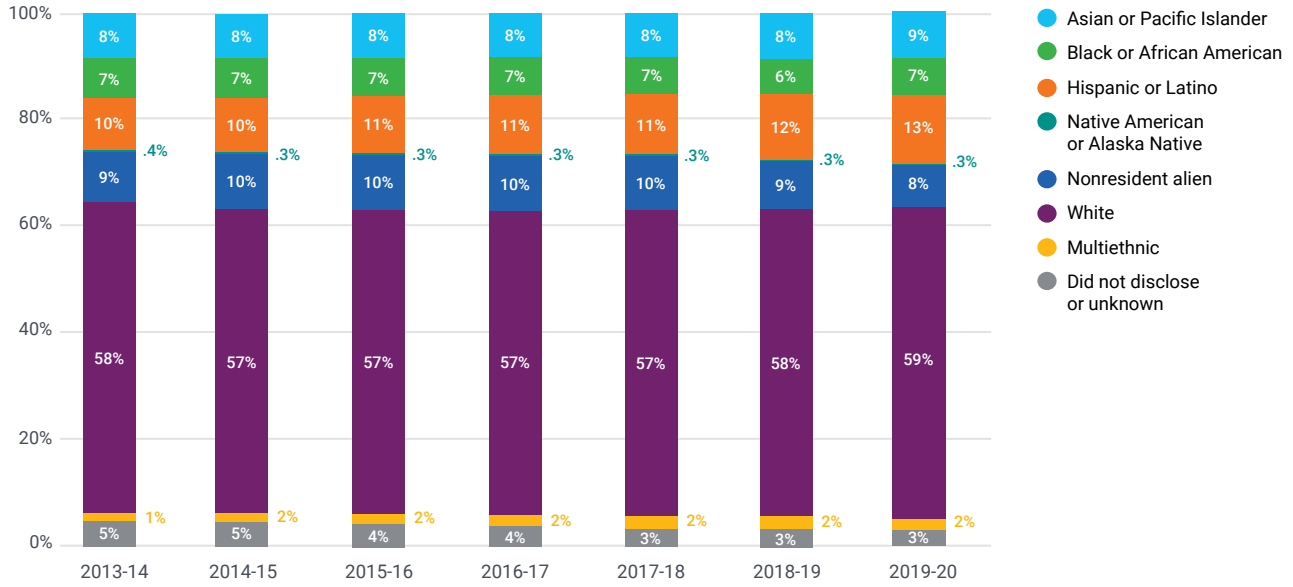


1.5 Trends in new accounting degree completions by gender – bachelor’s and master’s | 2013–20



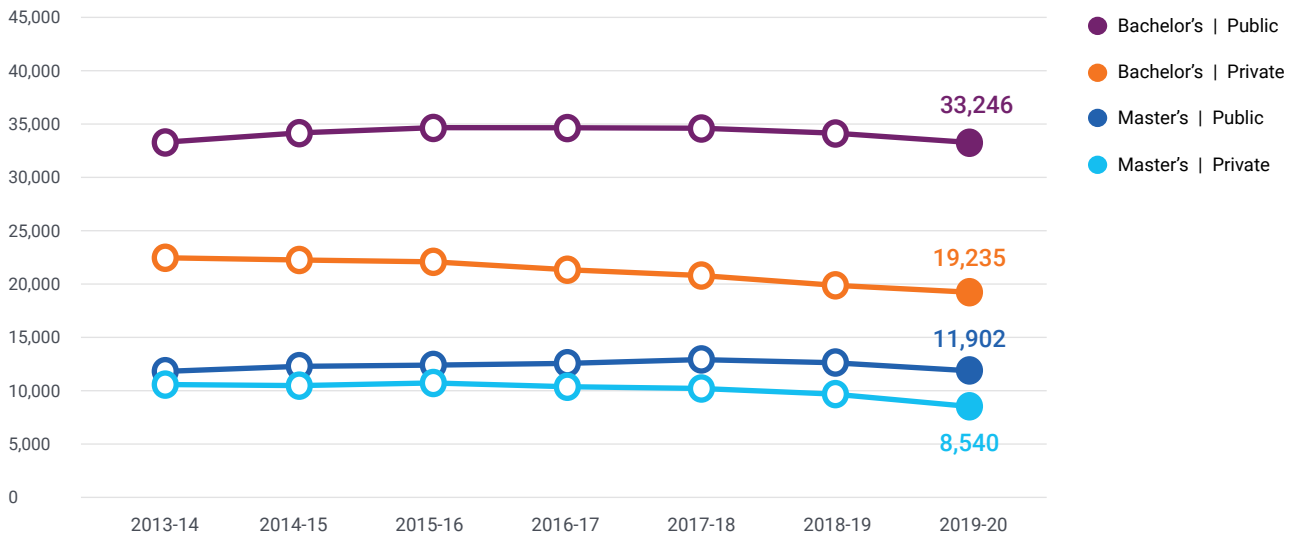
Source: IPEDS

1.6 Trends in new accounting degree completions by race/ethnicity – bachelor's and master's | 2013–20



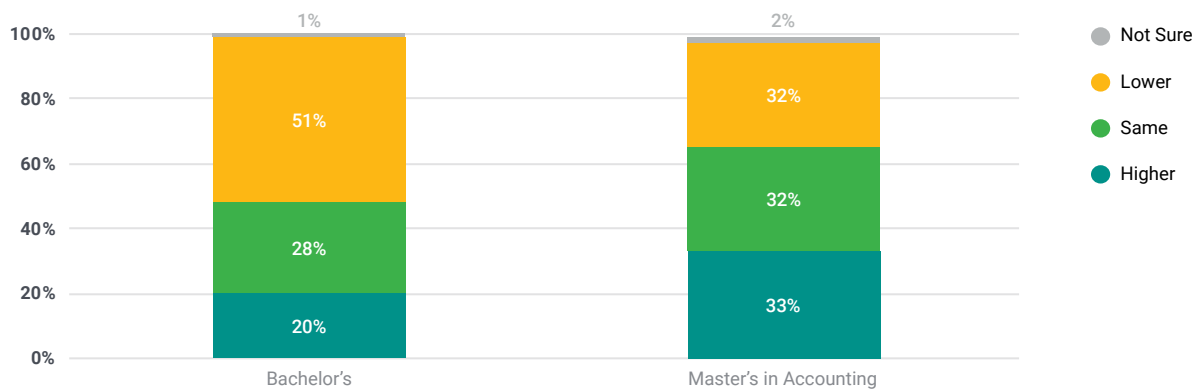
Source: IPEDS. See note A on page 58

1.7 Trends in new accounting degree completions by degree and institution type | 2013–20



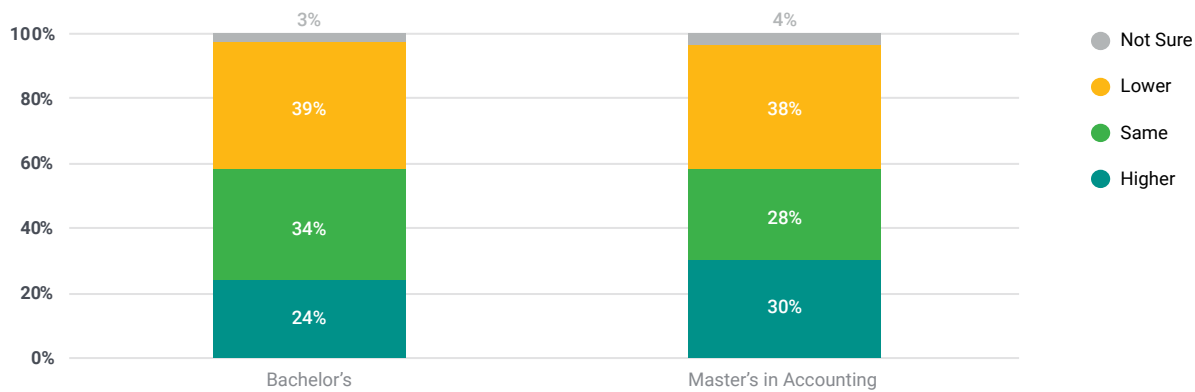
Source: IPEDS

1.8 Accounting program enrollment expectations | 2020–21 compared to 2020–21



Due to rounding, values may not equal 100%

1.9 Accounting program enrollment expectations | 2021–22 compared to 2020–21



Due to rounding, values may not equal 100%

We are seeing an uptick in expectation of accounting enrollments in the future at both the bachelor's and master's levels. Over one-half of respondents expect their accounting program enrollment will be the same or higher.

The **supply**
of accounting
graduates at
all levels

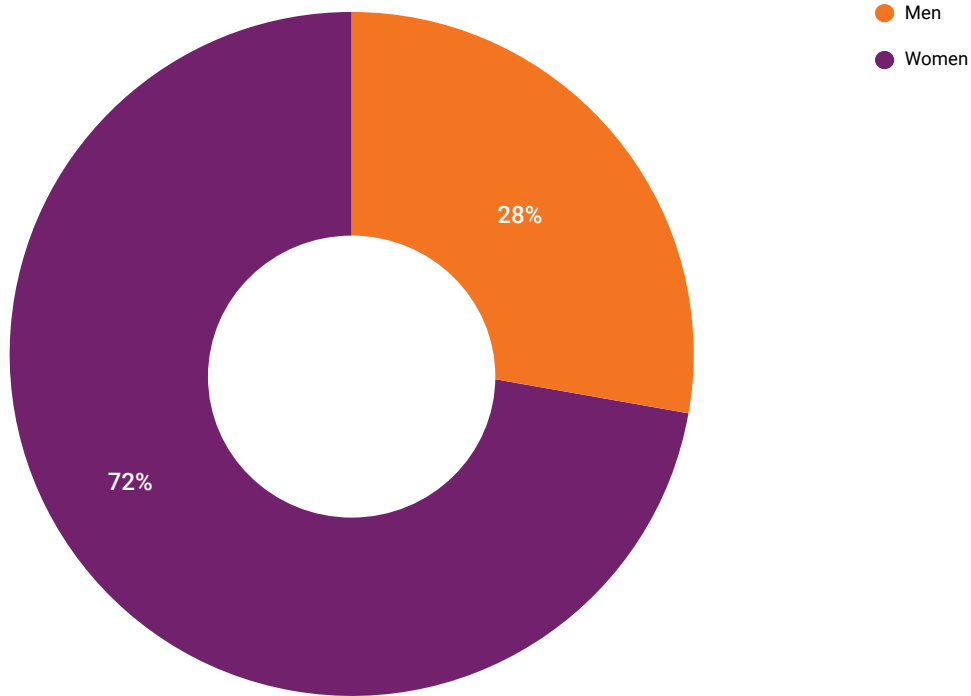


2.1 Accounting degree completions by level | 1994–2020

	Associate's	Bachelor's	Master's	Doctorate	Certificate
1994–95	16,690	45,469	6,153	56	15,575
1995–96	16,450	43,502	5,904	47	13,755
1996–97	16,329	41,852	6,190	56	13,616
1997–98	15,279	39,433	5,923	52	13,167
1998–99	14,765	38,949	6,204	45	12,114
1999–2000	14,119	36,666	6,428	36	12,732
2000-01	13,657	34,751	6,622	28	11,582
2001-02	12,581	34,719	7,340	36	12,118
2002-03	13,459	36,324	8,458	44	11,207
2003-04	14,834	38,804	10,008	46	11,156
2004-05	14,428	41,208	11,357	54	10,386
2005-06	14,064	43,689	12,247	42	10,386
2006-07	14,693	46,337	12,931	38	10,188
2007-08	16,490	47,860	13,842	41	10,414
2008-09	17,137	50,803	15,303	43	11,783
2009-10	18,386	55,002	17,426	30	13,350
2010-11	20,630	56,129	19,956	40	14,967
2011-12	20,511	57,483	20,865	42	16,011
2012-13	18,256	56,650	21,952	48	16,011
2013-14	17,620	55,734	22,403	49	16,551
2014-15	16,322	56,397	22,777	54	18,191
2015-16	15,019	56,715	23,139	54	17,063
2016-17	13,959	55,963	22,949	43	17,476
2017-18	13,234	55,377	23,141	38	18,026
2018-19	12,298	53,991	22,323	45	18,219
2019-20	11,625	52,481	20,442	39	18,298

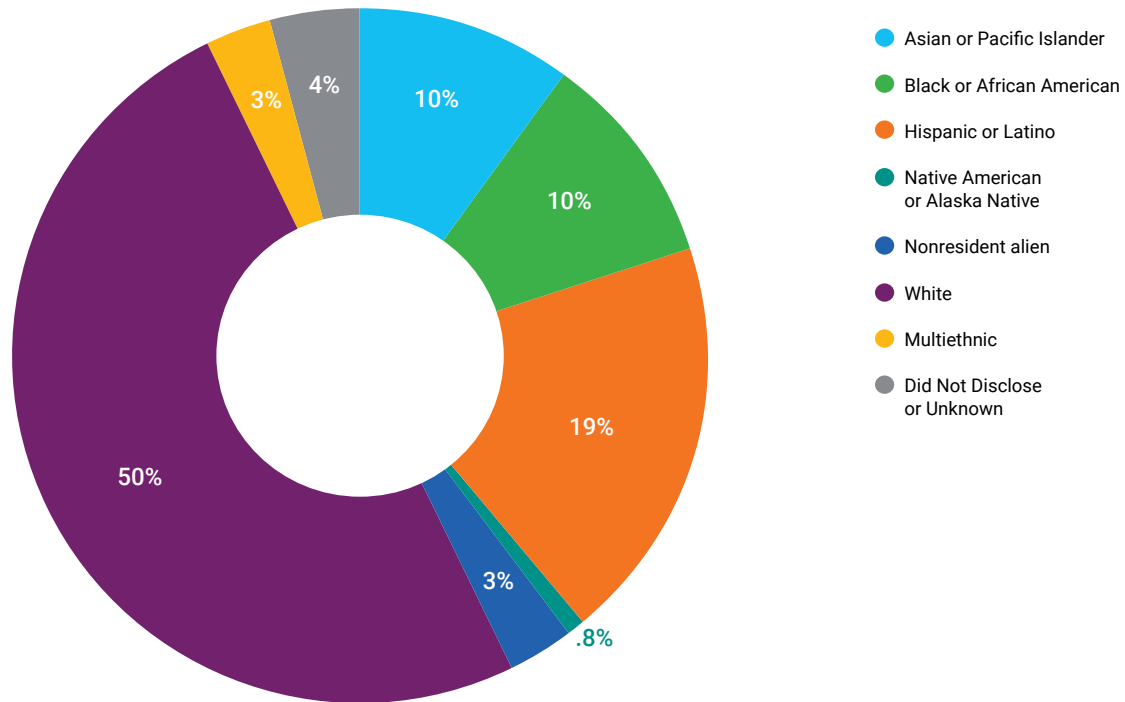
Source: IPEDS

2.2 Accounting degree completions by gender – associate's | 2020



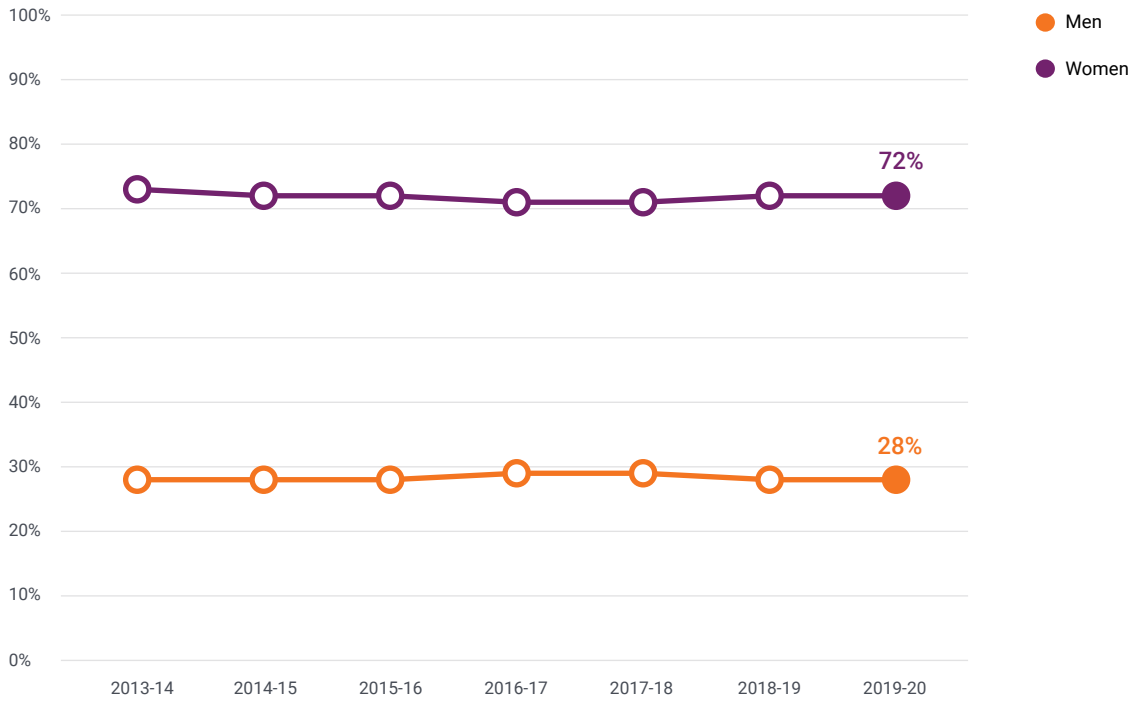
Source: IPEDS

2.3 Accounting degree completions by race/ethnicity – associate's | 2020



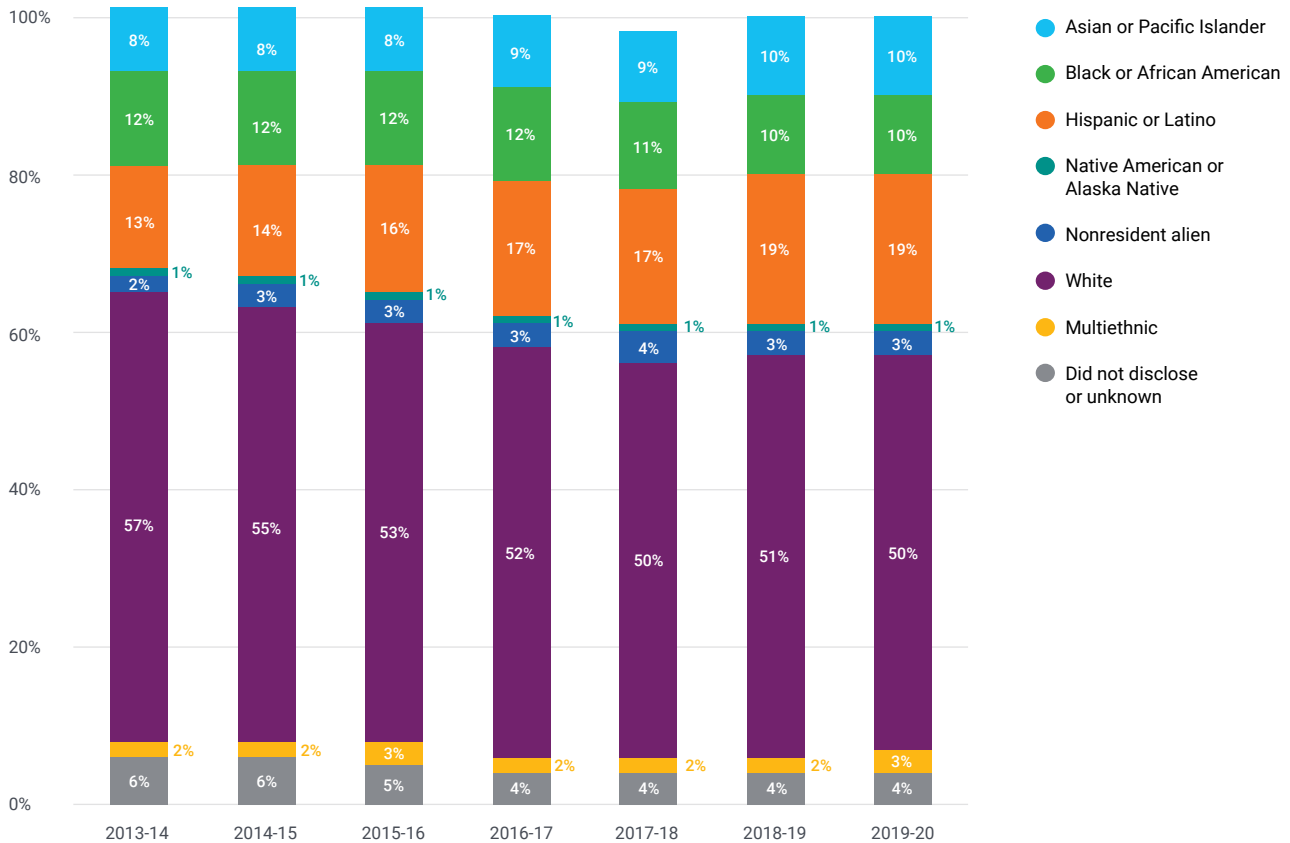
Source: IPEDS. See note A on page 58

2.4 Trends in accounting degree completions by gender – associate's | 2013–20



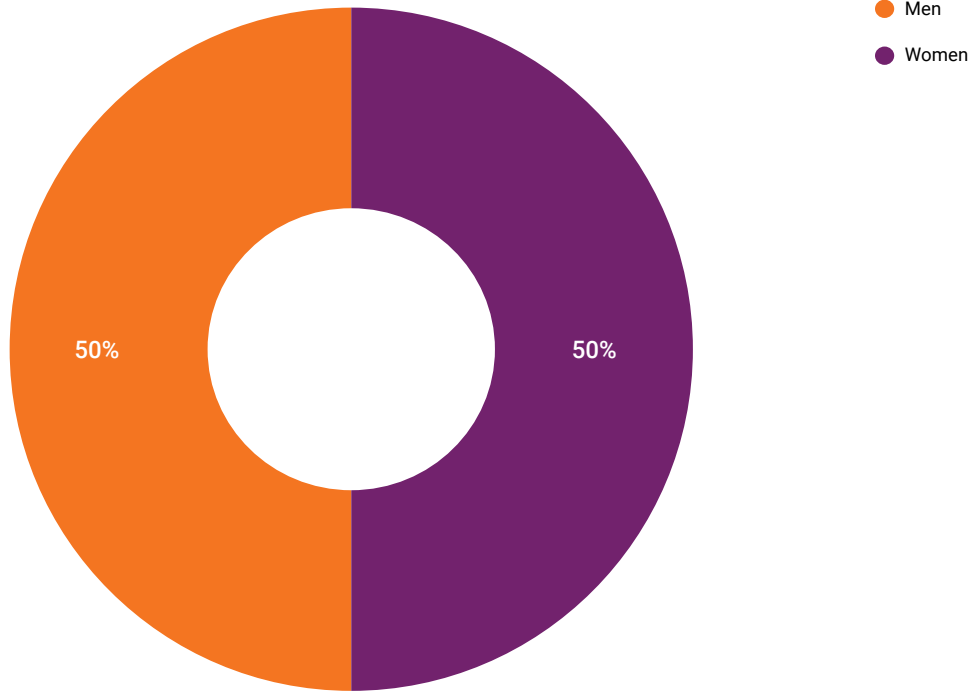
Source: IPEDS

2.5 Trends in accounting degree completions by race/ethnicity – associate's | 2013–20



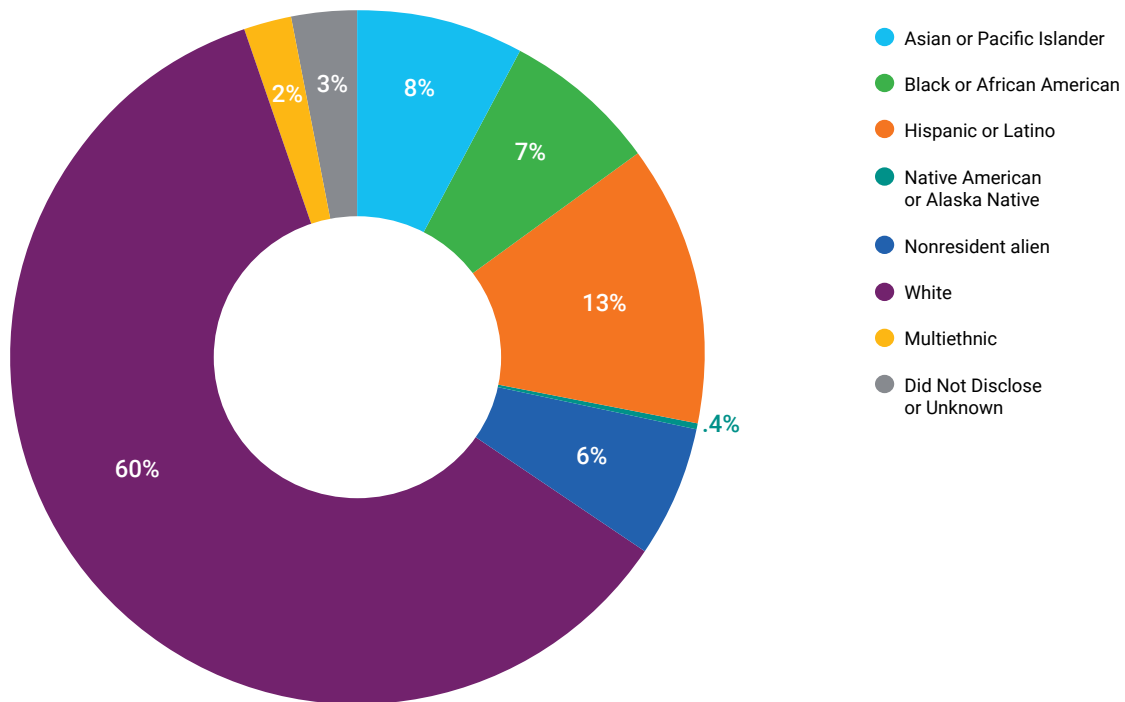
Source: IPEDS. See note A on page 58

2.6 Accounting degree completions by gender – bachelor's | 2020



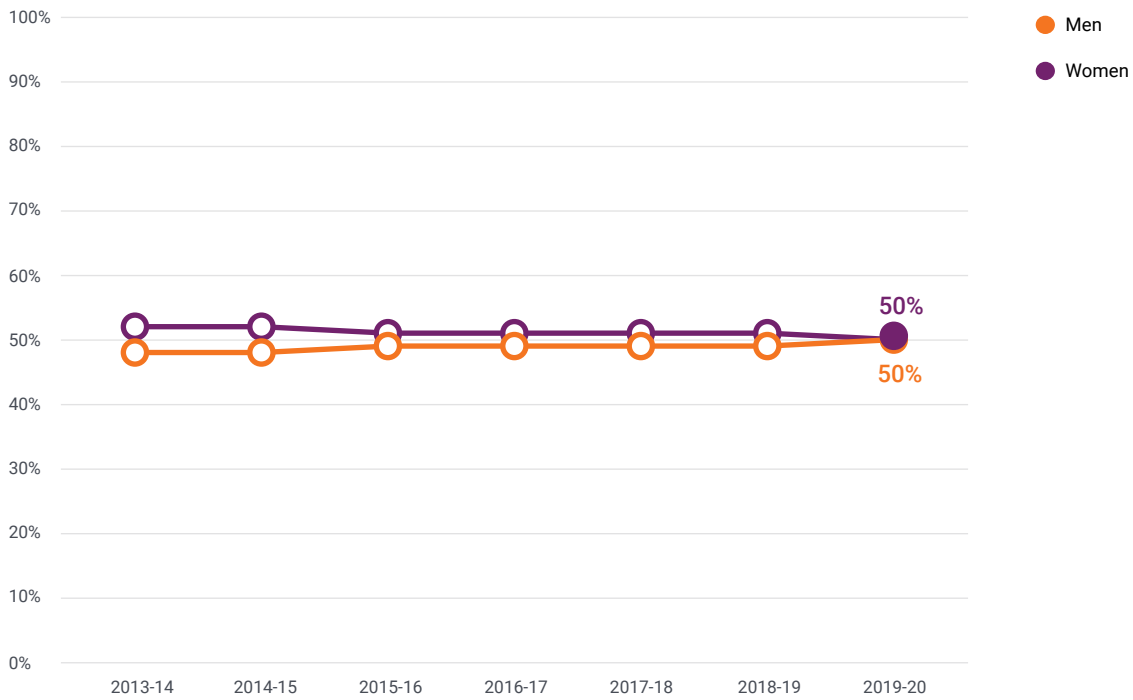
Source: IPEDS

2.7 Accounting degree completions by race/ethnicity – bachelor's | 2020



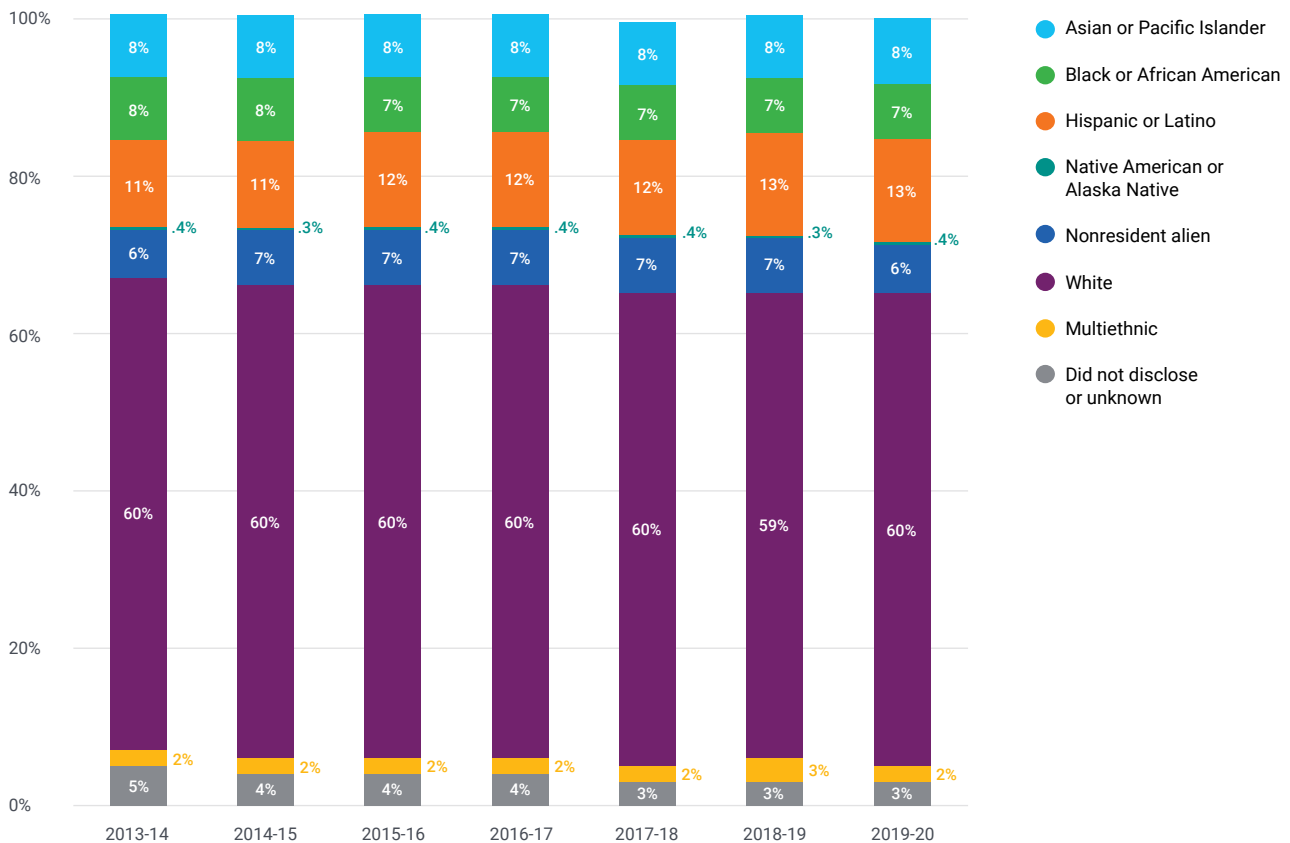
Source: IPEDS. See note A on page 58

2.8 Trends in accounting degree completions by gender – bachelor's | 2013–20



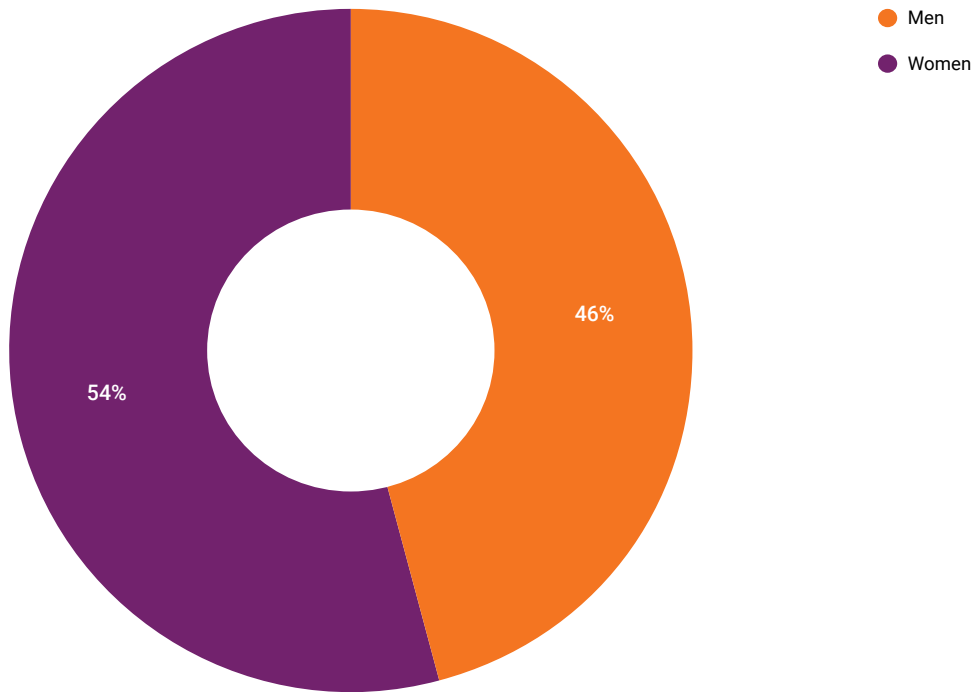
Source: IPEDS

2.9 Trends in accounting degree completions by race/ethnicity – bachelor's | 2013–20



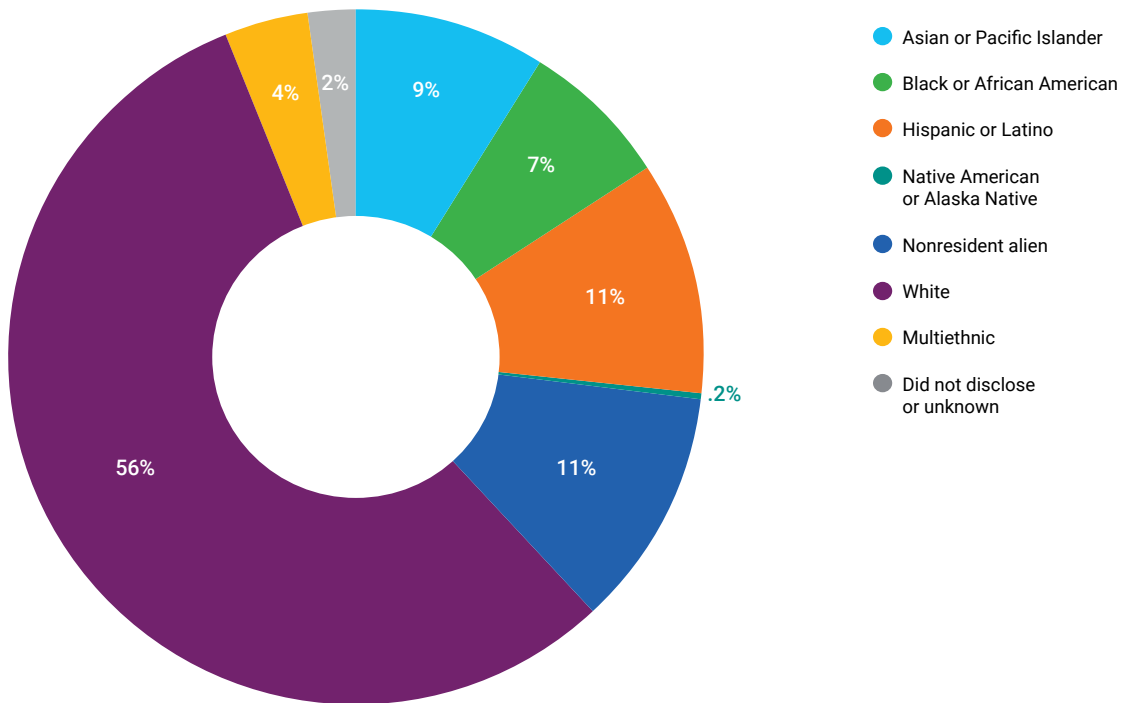
Source: IPEDS. See note A on page 58

2.10 Accounting degree completions by gender – master’s | 2020



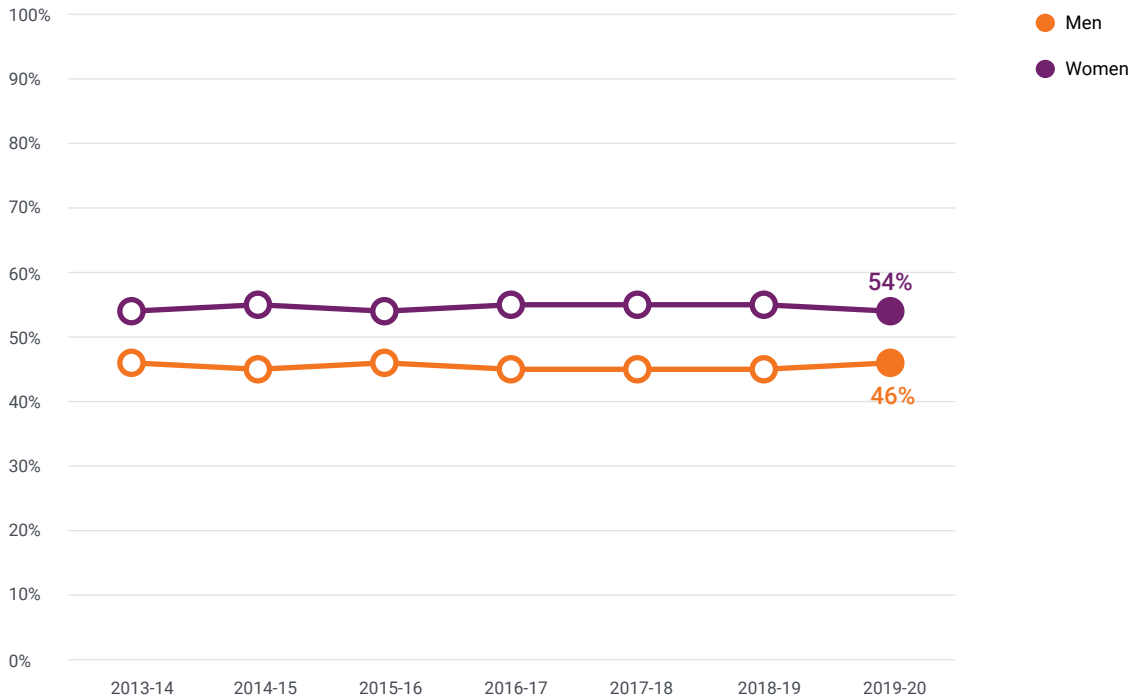
Source: IPEDS

2.11 Accounting degree completions by race/ethnicity – master’s | 2020



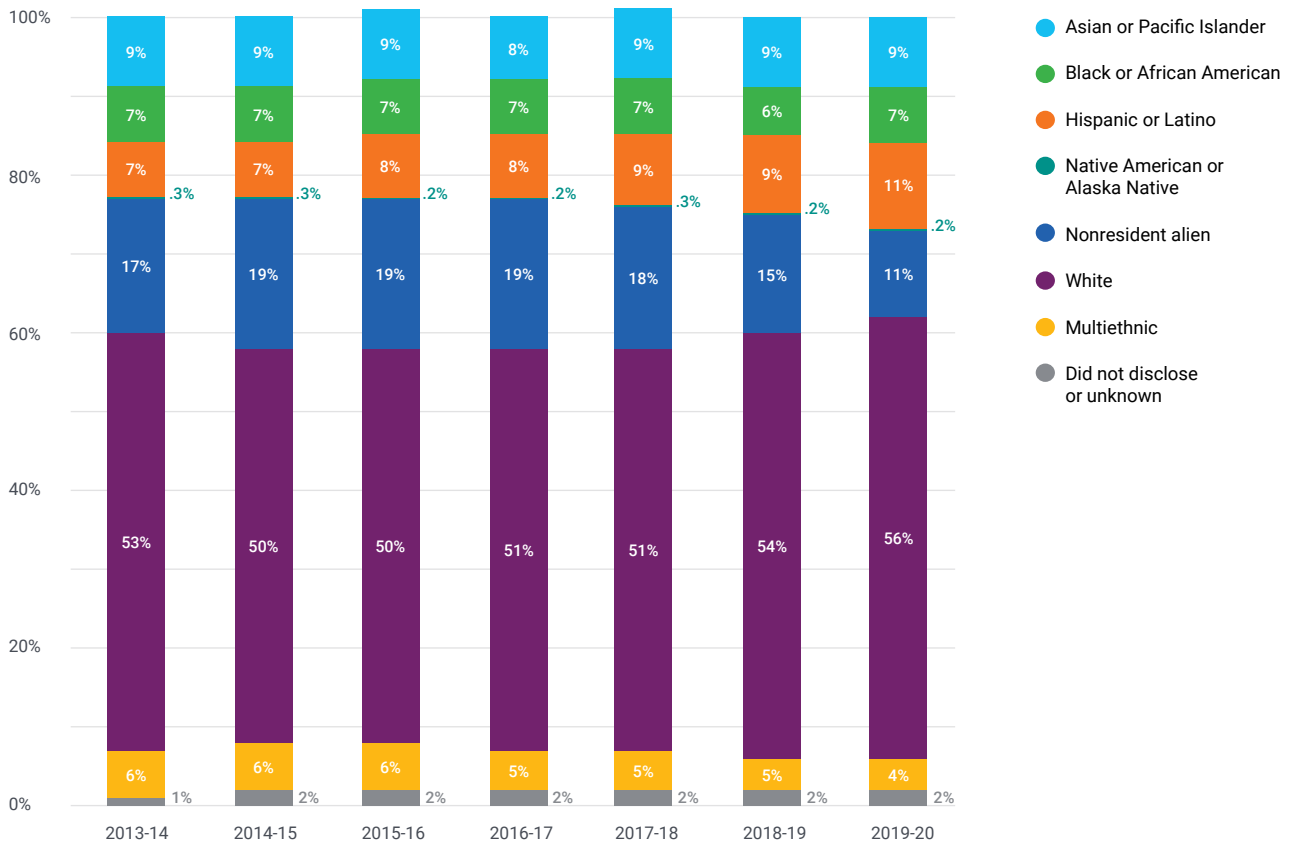
Source: IPEDS. See note A on page 58

2.12 Trends in accounting degree completions by gender – master's | 2013–20



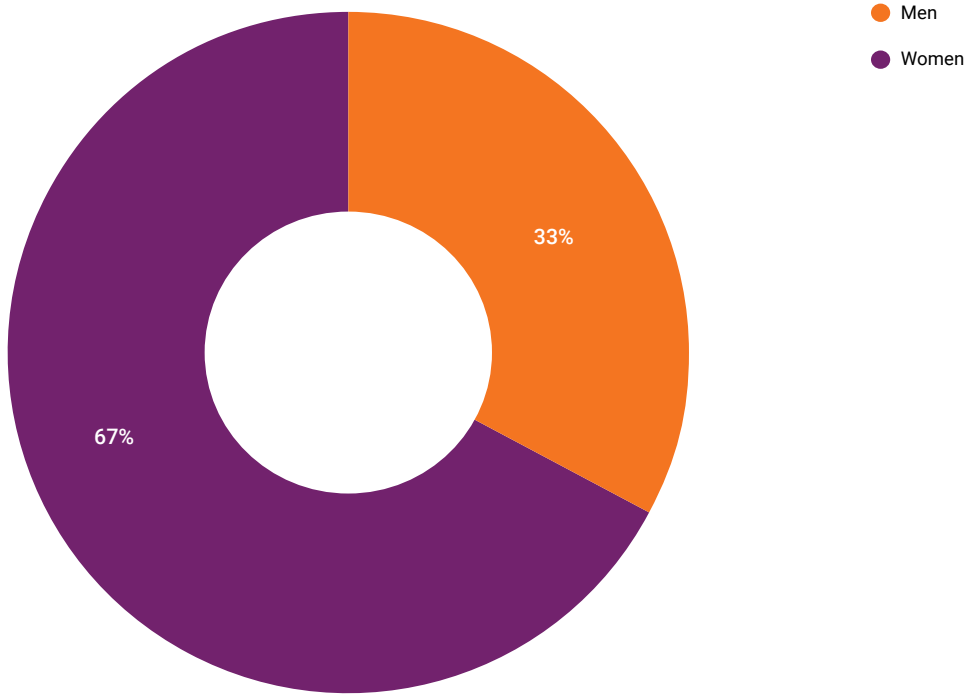
Source: IPEDS

2.13 Trends in accounting degree completions by race/ethnicity – master's | 2013–20



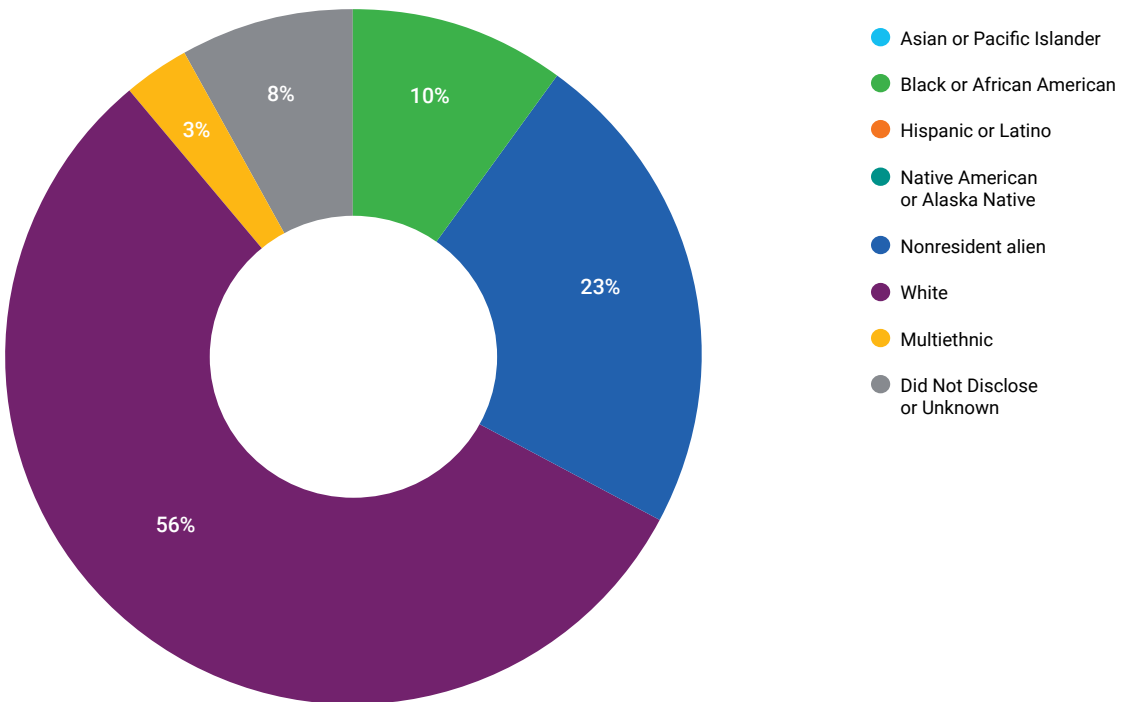
Source: IPEDS. See note A on page 58

2.14 Accounting degree completions by gender – doctorate | 2020



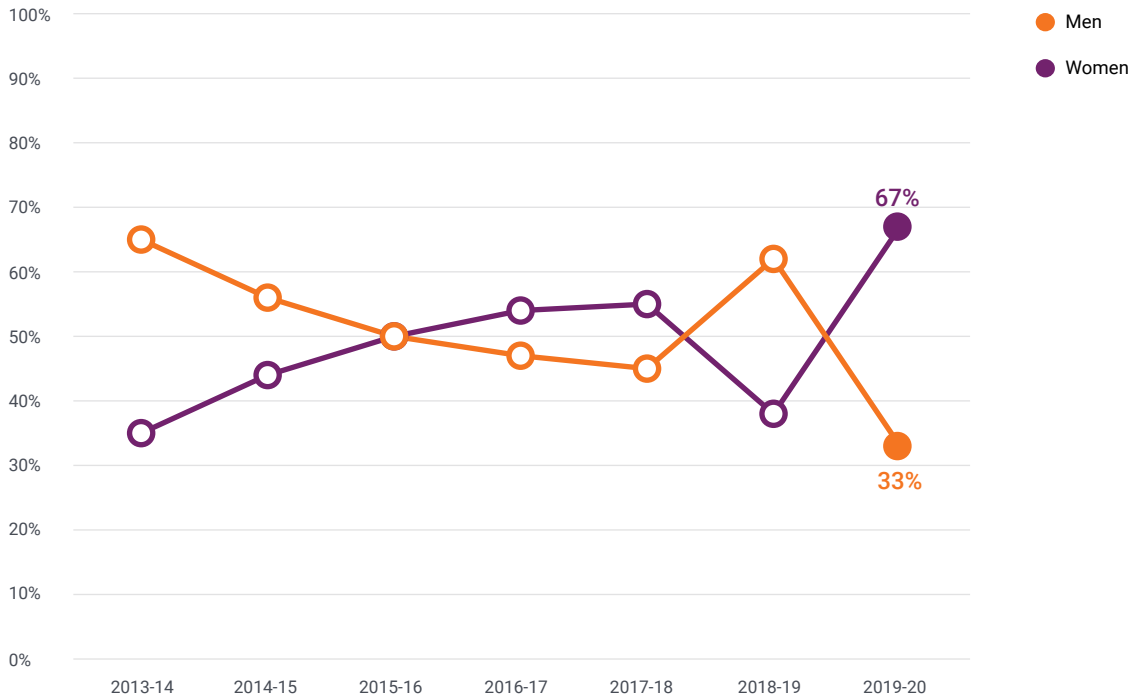
Source: IPEDS

2.15 Accounting degree completions by race/ethnicity – doctorate | 2020



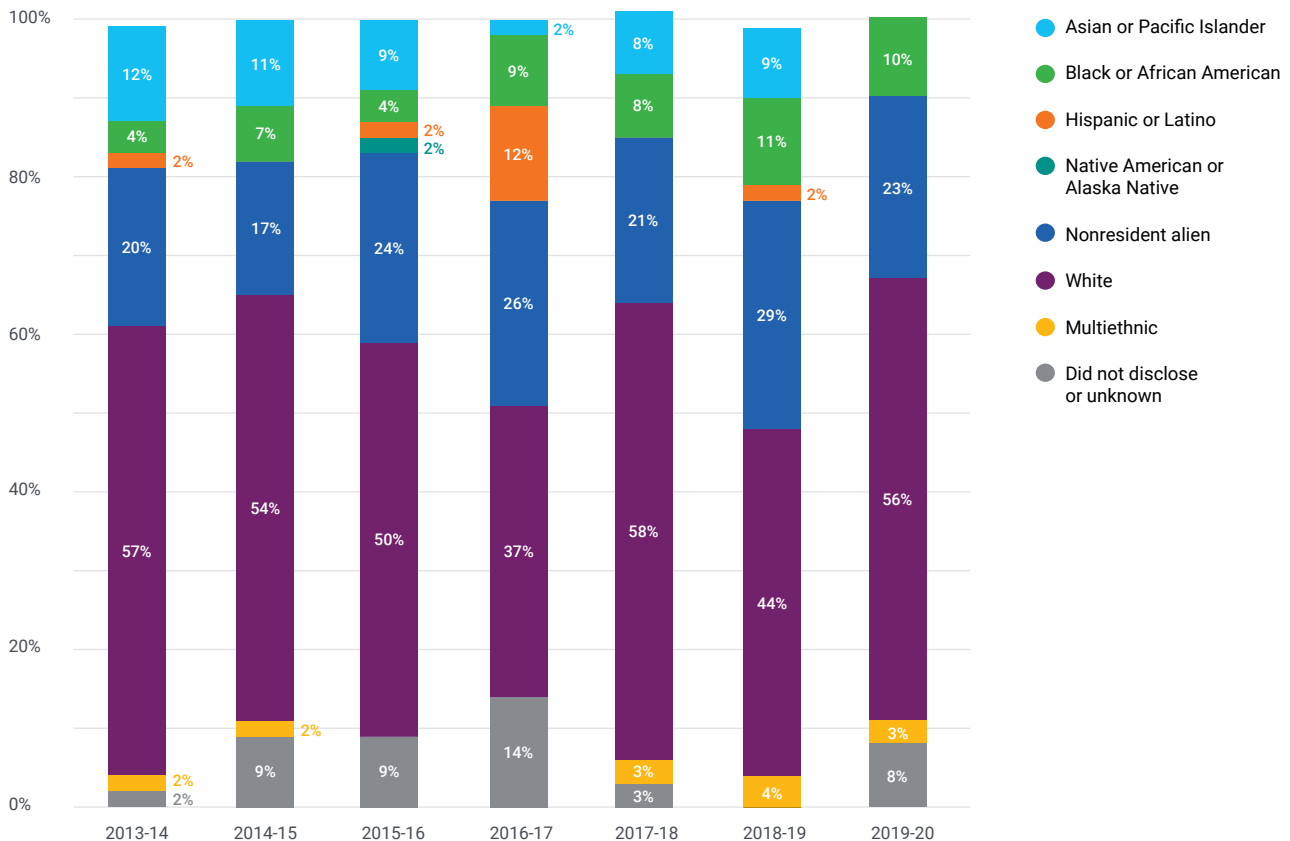
Source: IPEDS. See note A on page 58

2.16 Accounting degree completions by gender – doctorate | 2013–20



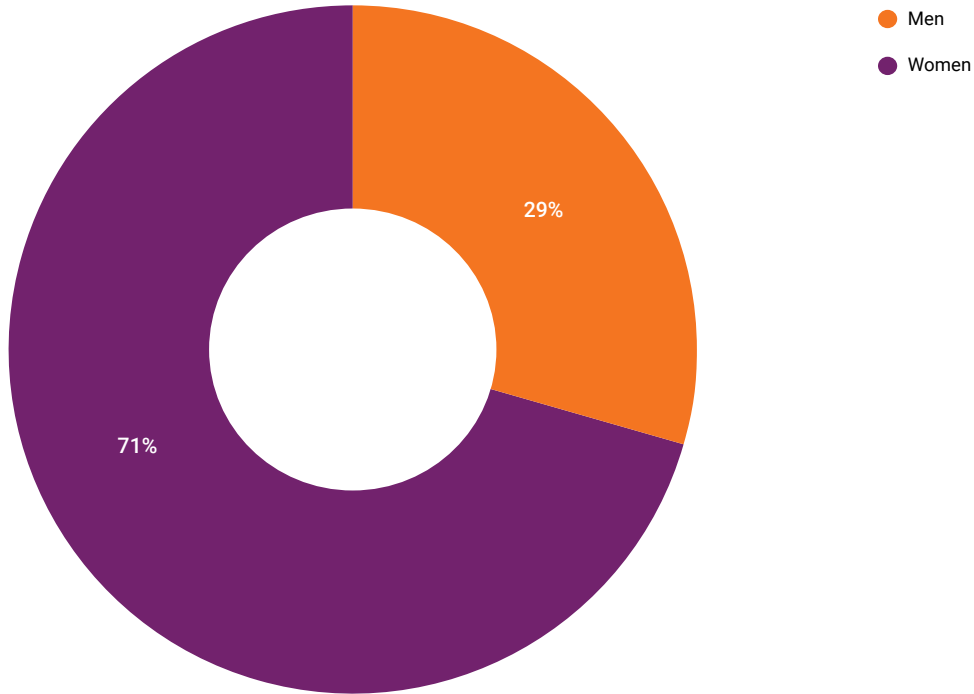
Source: IPEDS

2.17 Accounting degree completions by race/ethnicity – doctorate | 2013–20



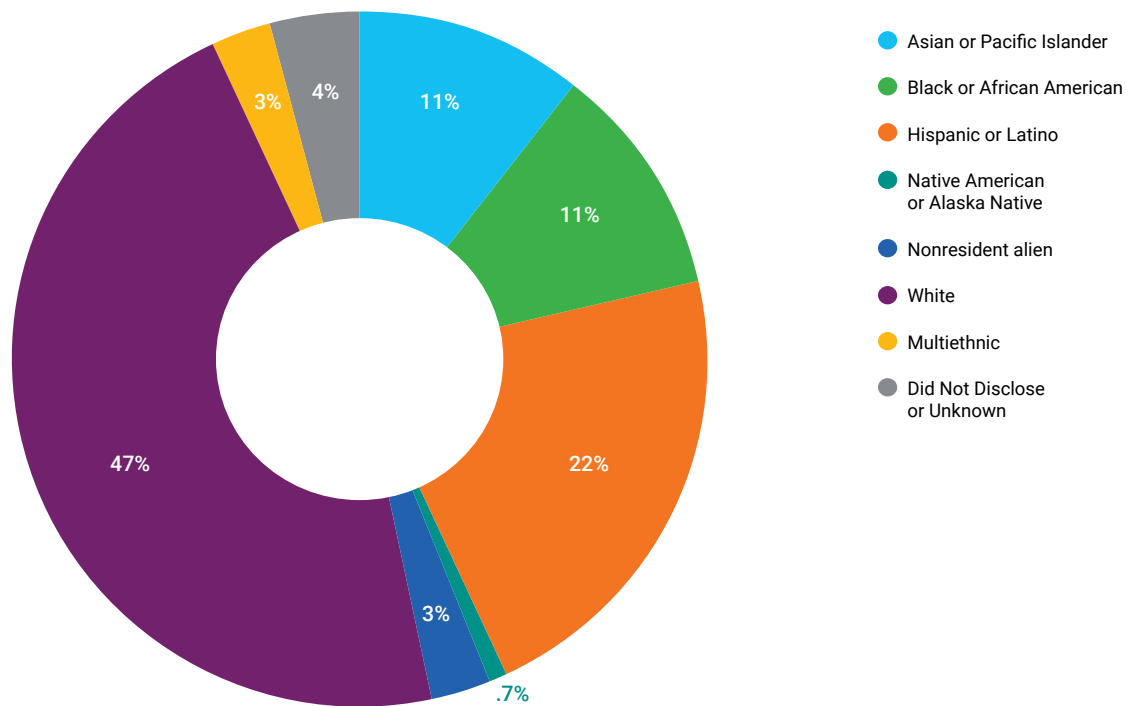
Source: IPEDS. See note A on page 58

2.18 Accounting degree completions by gender – certificate | 2020



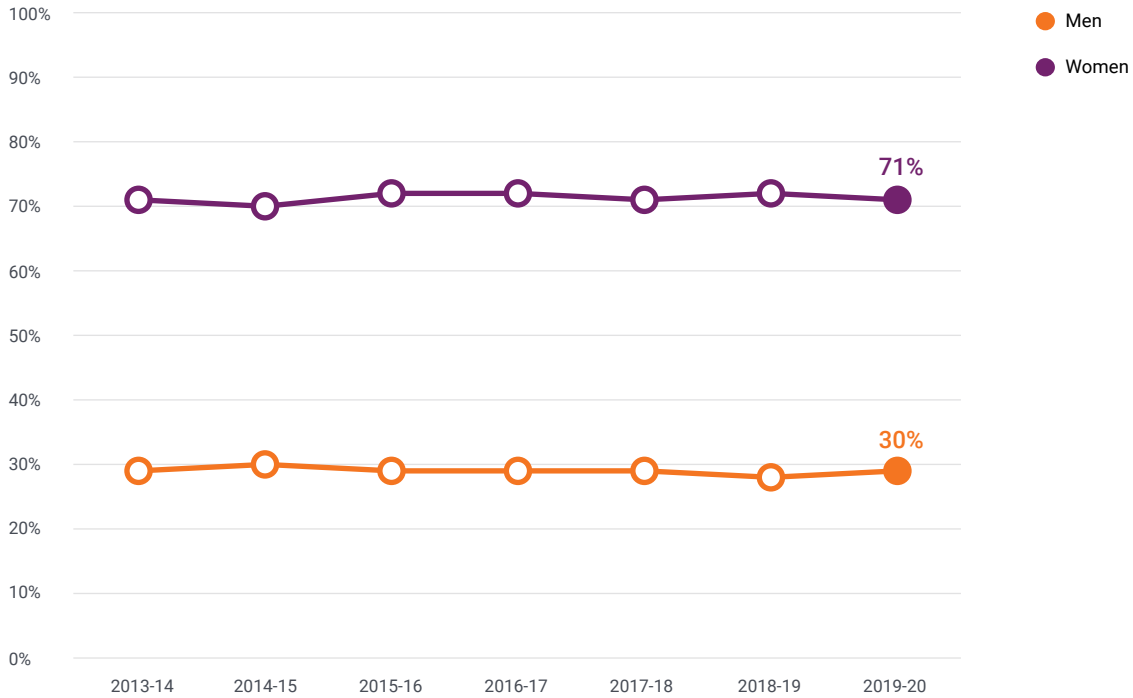
Source: IPEDS

2.19 Accounting degree completions by race/ethnicity – certificate | 2020



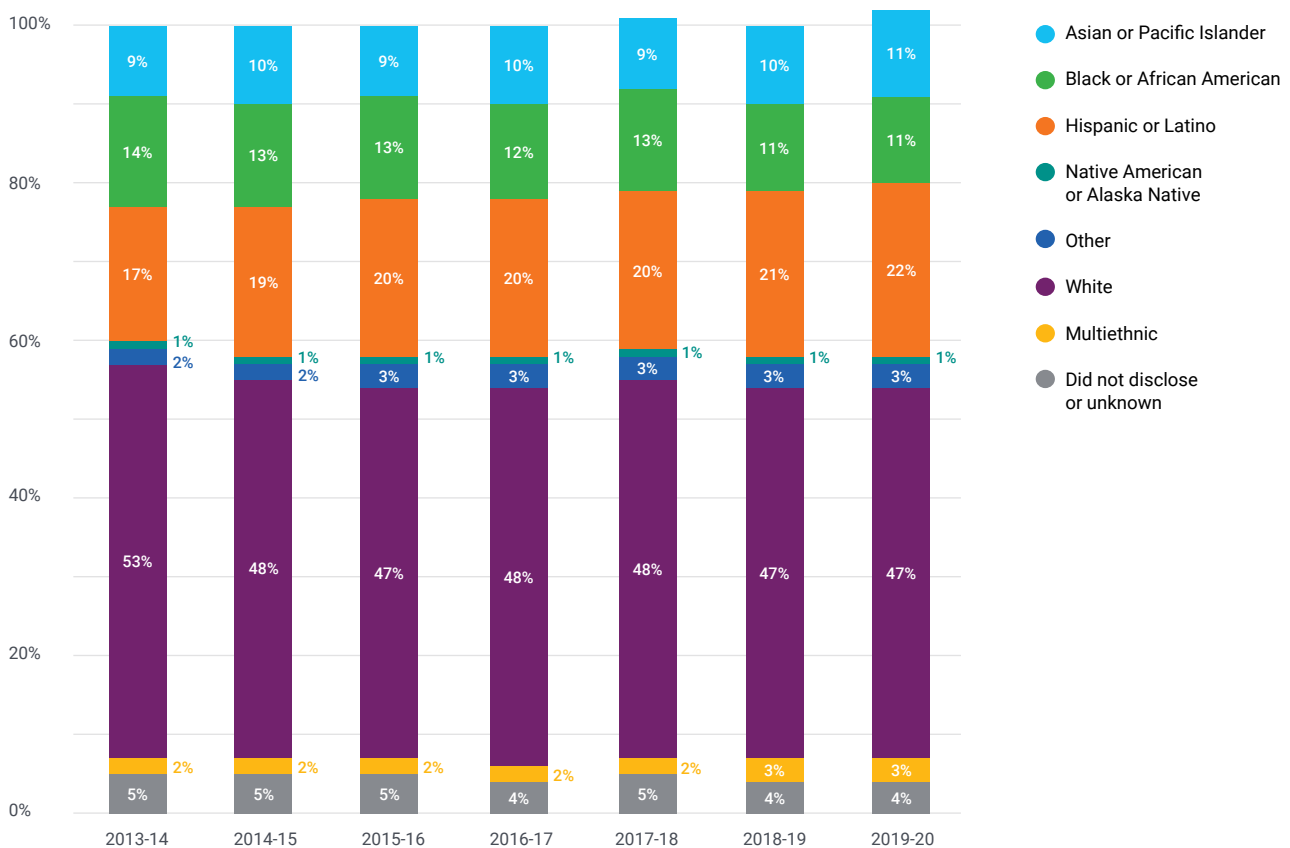
Source: IPEDS. See note A on page 58

2.20 Trends in accounting degree completions by gender – certificate | 2013–20



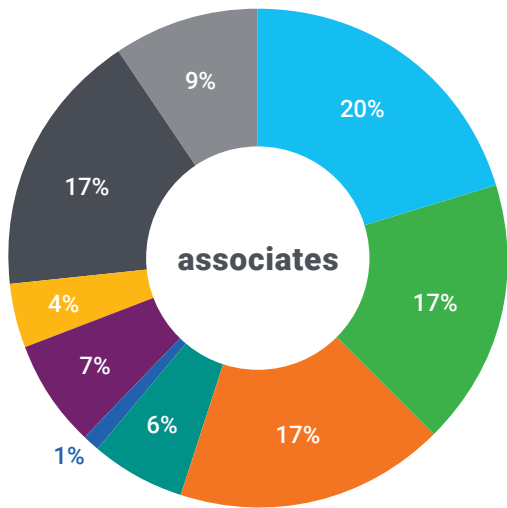
Source: IPEDS

2.21 Trends in accounting degree completions by race/ethnicity – certificate | 2013–20

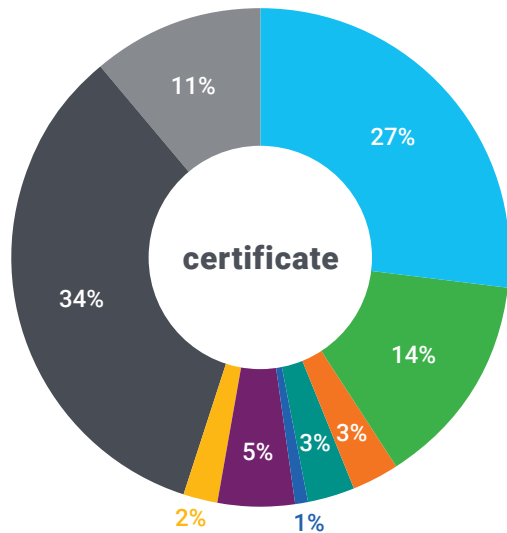
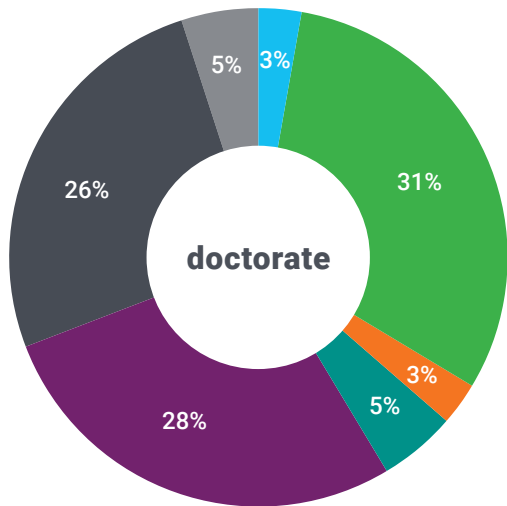
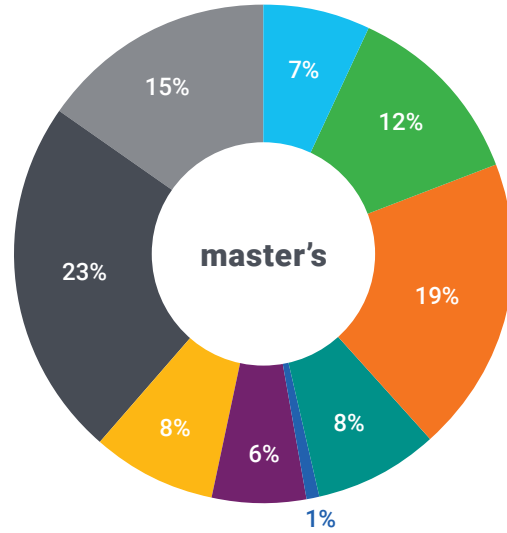
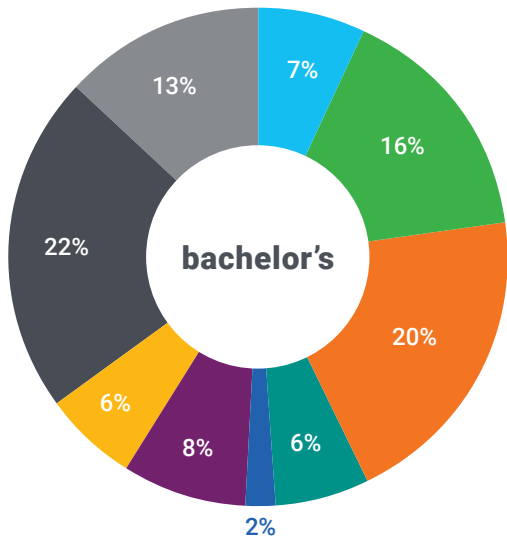


Source: IPEDS. See note A on page 58

2.22 Accounting degree completions by region | 2020

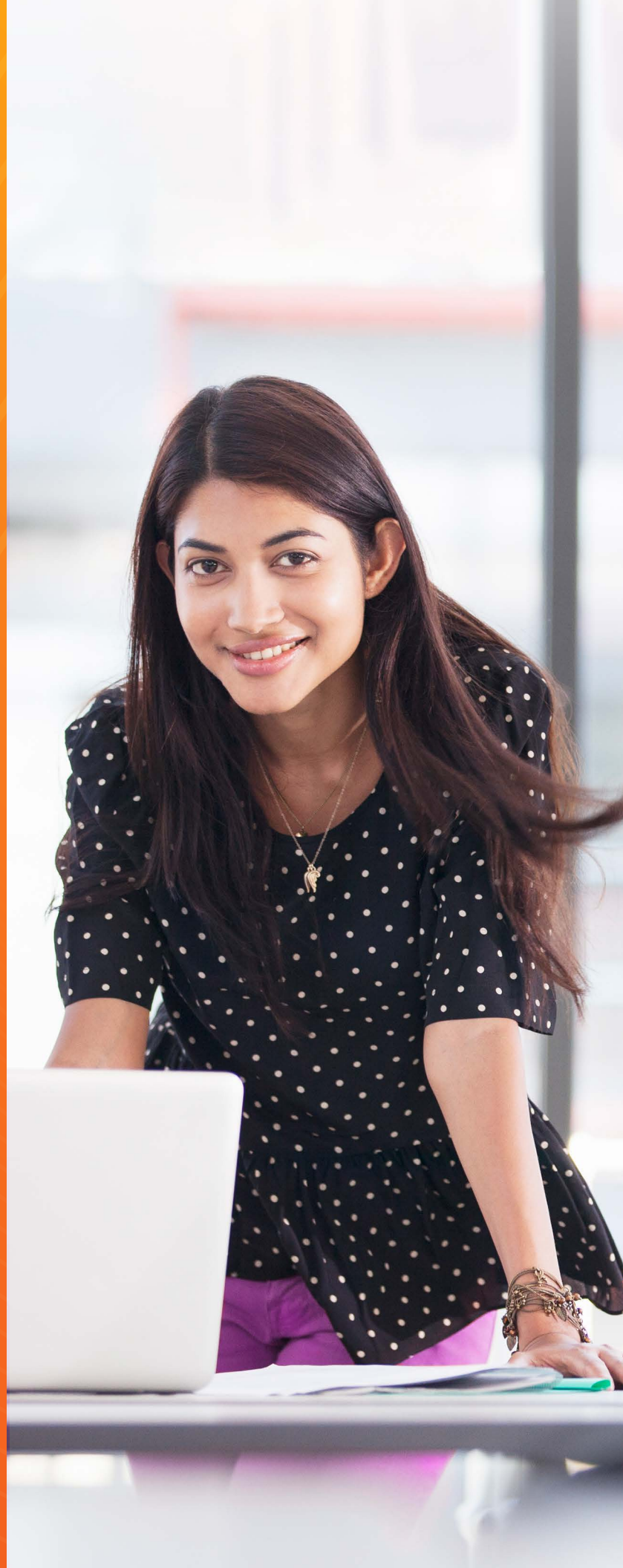


- Far West
- Great Lakes
- Mideast
- New England
- Other
- Plains
- Rocky Mountains
- Southeast
- Southwest

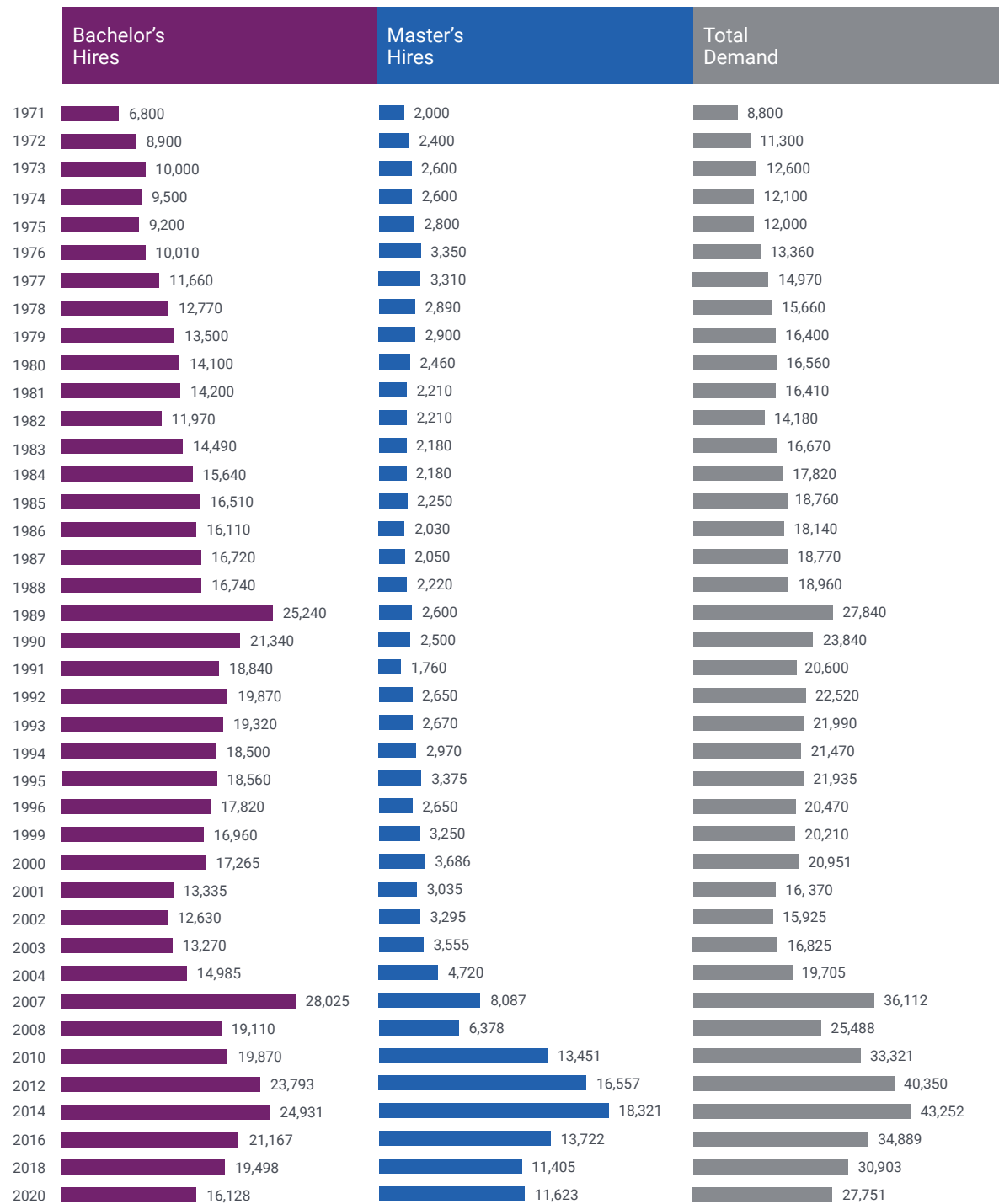


Source: IPEDS

The **demand**
for public
accounting
recruits

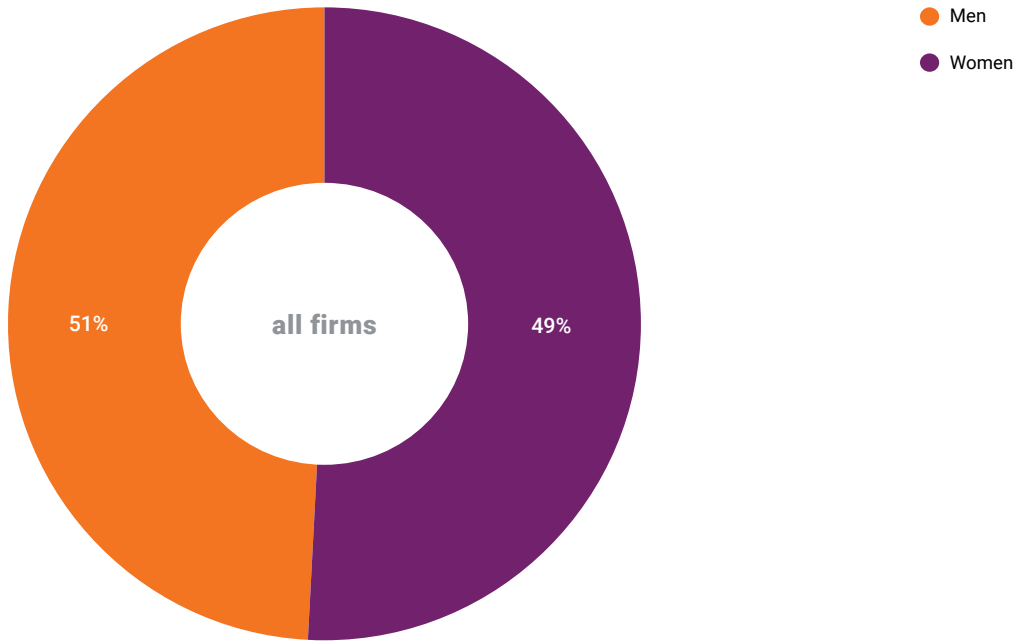


3.1 Trends in new accounting graduates hired into accounting/finance functions of U.S. CPA firms | 1971–2020



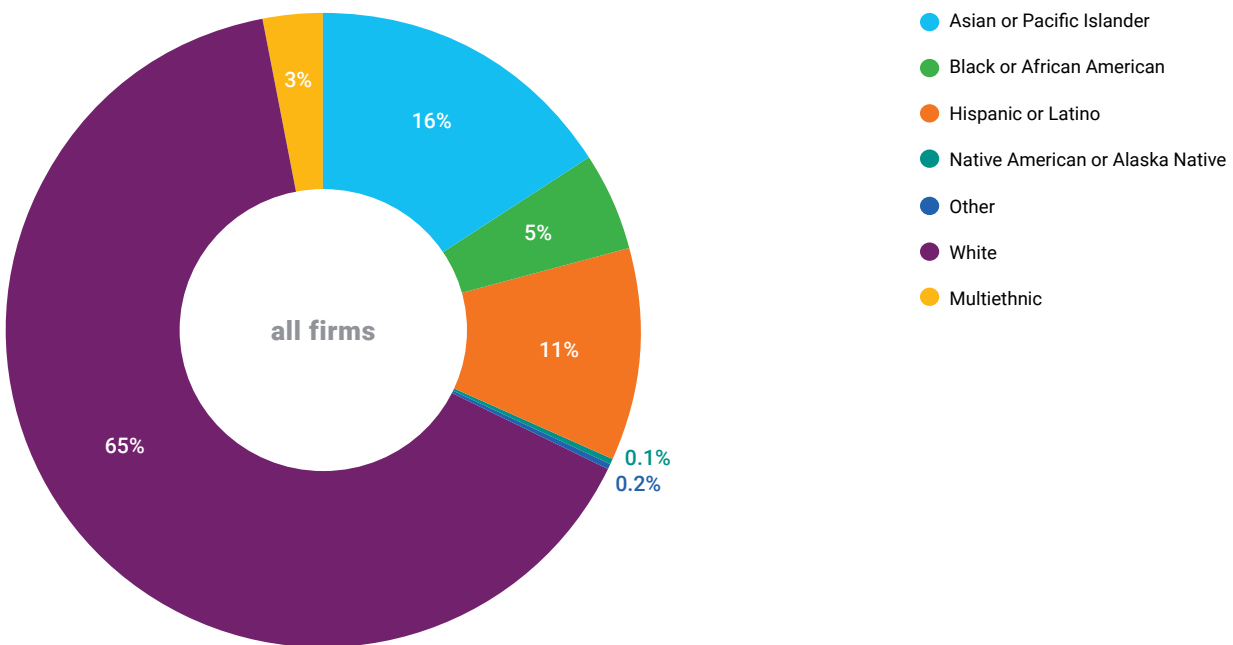
See note B on page 58

3.2 New graduate new hires hired into accounting/finance functions of U.S. CPA firms by gender – bachelor's and master's | 2020

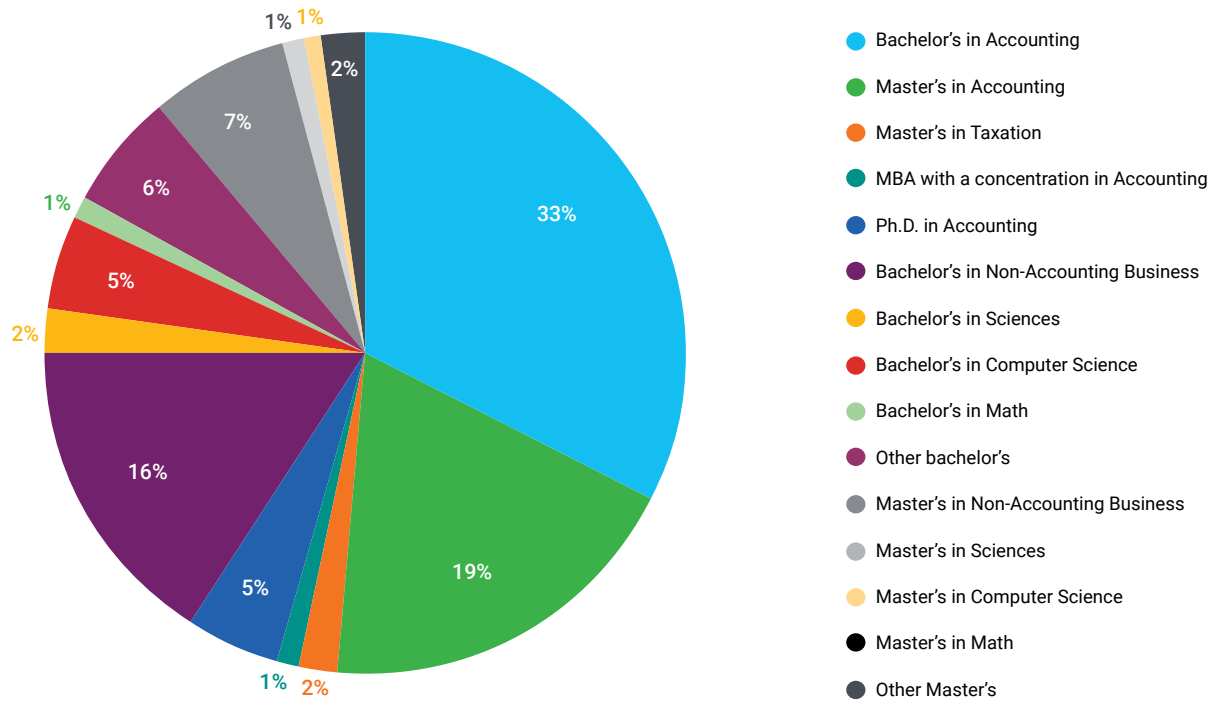


See note C on page 58

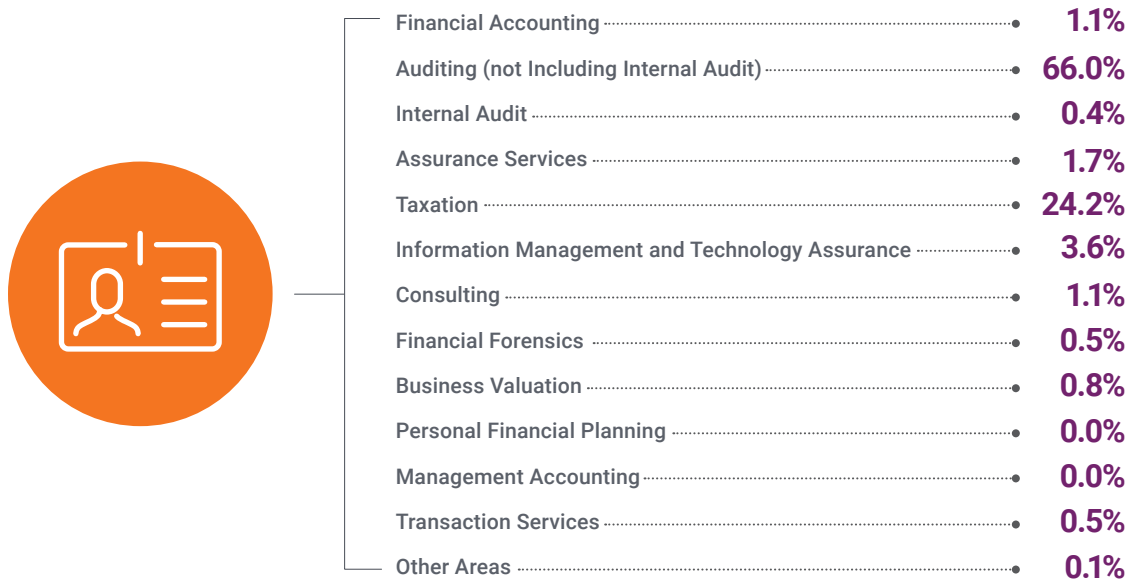
3.3 New graduate new hires hired into accounting/finance functions of U.S. CPA firms by race/ethnicity – bachelor's and master's | 2020



3.4 New graduate new hires hired into accounting/finance functions of U.S. CPA firms by degree – all degrees | 2020

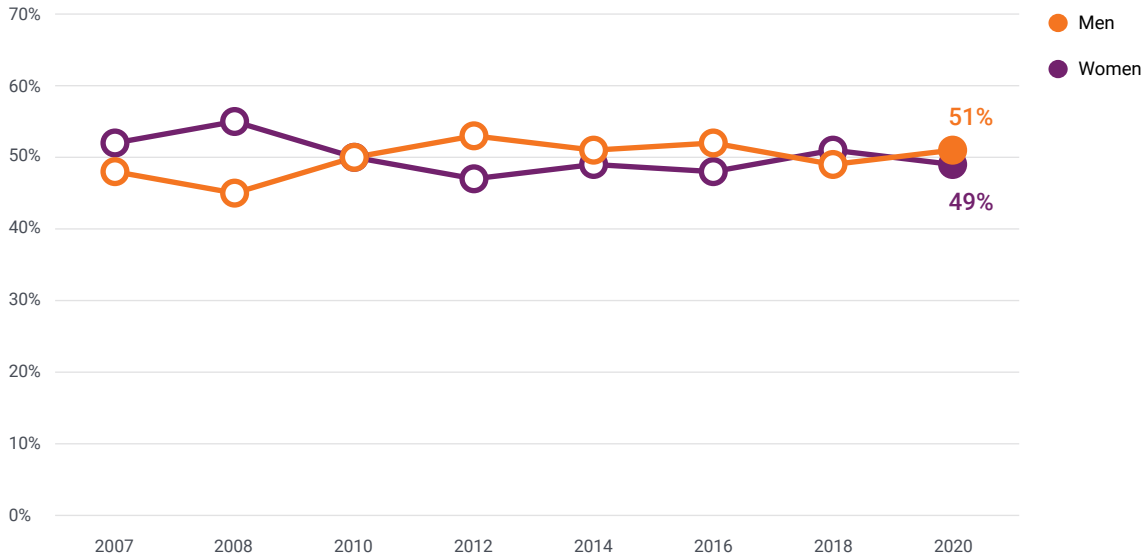


3.5 New accounting graduate new hires hired into accounting/finance functions of U.S. CPA firms by area of assignment – bachelor's and master's | 2020



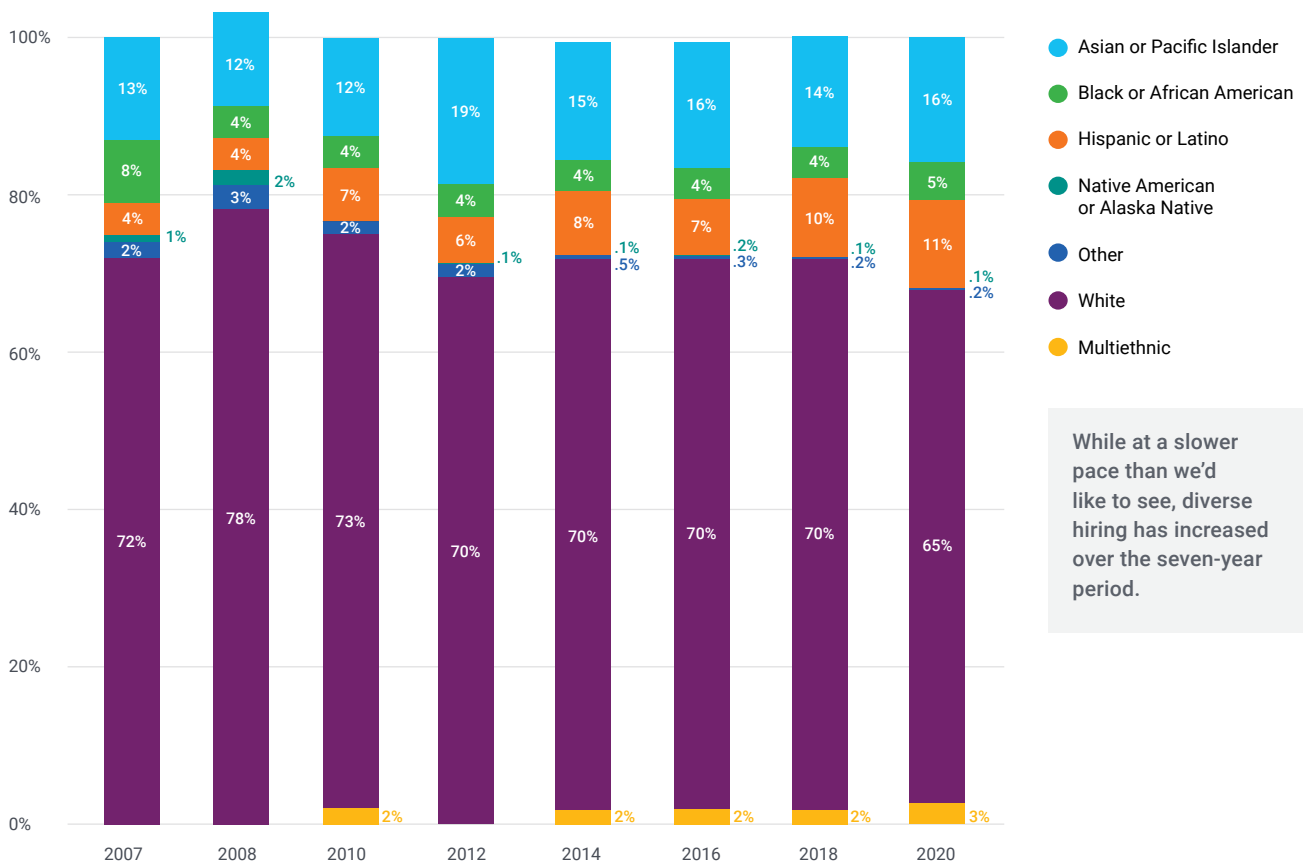
See note D on page 58

3.6 Trends in new bachelor's and master's of accounting graduates hired into accounting/finance functions of U.S. CPA firms by gender | 2007–2020



See note C on page 58

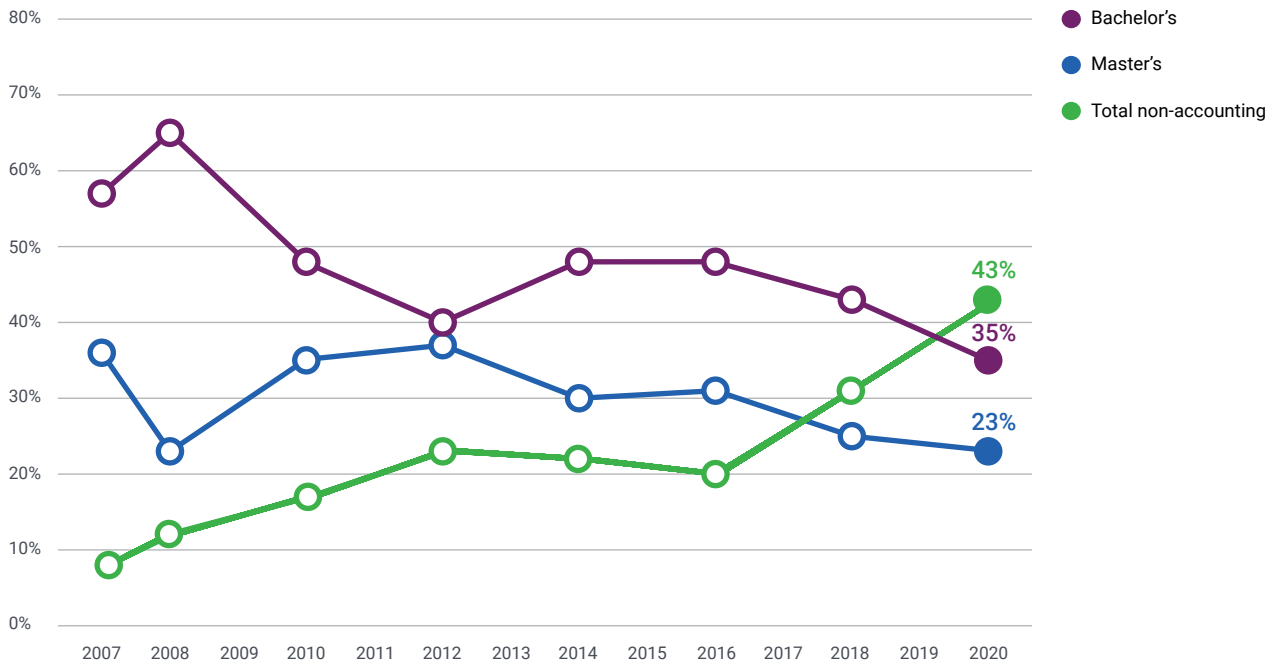
3.7 Trends in new bachelor's and master's of accounting graduates hired into accounting/finance functions of U.S. CPA firms by race/ethnicity | 2007–2020



While at a slower pace than we'd like to see, diverse hiring has increased over the seven-year period.

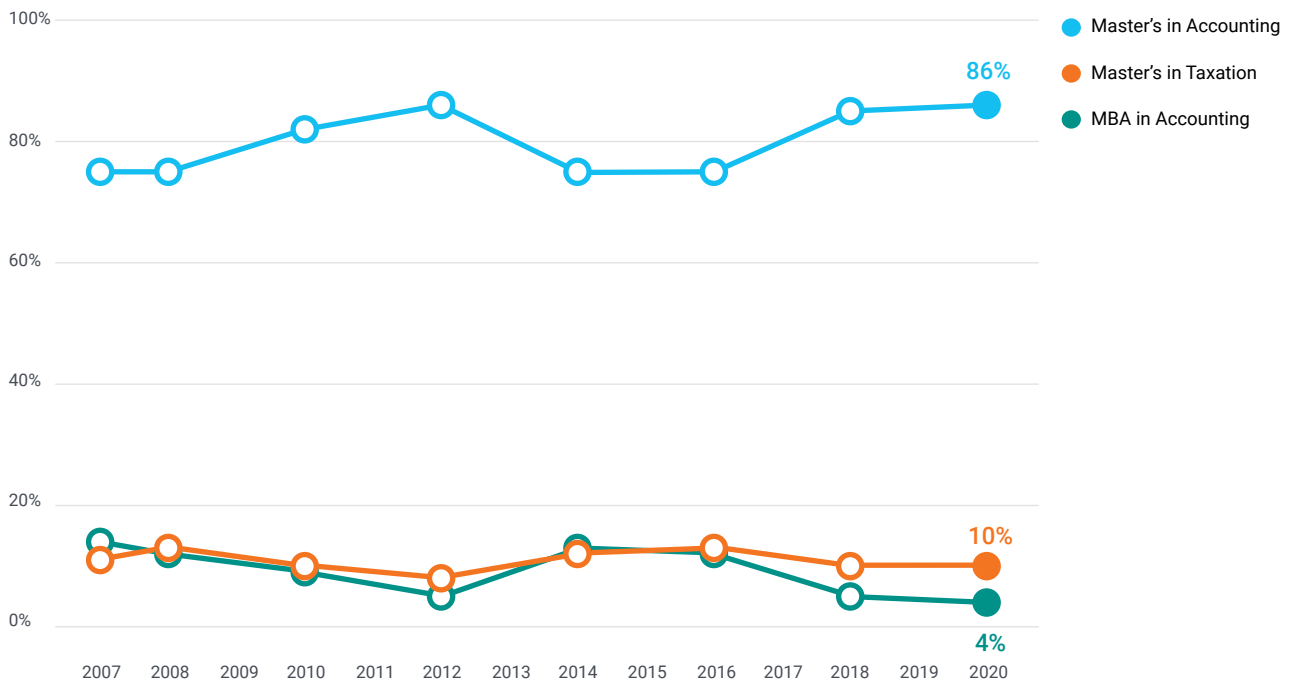
Due to rounding, data may not equal 100%

3.8 Trends in new bachelor's and master's of accounting and non-accounting graduates hired into accounting/finance functions of U.S. CPA firms by degree type | 2007–2020



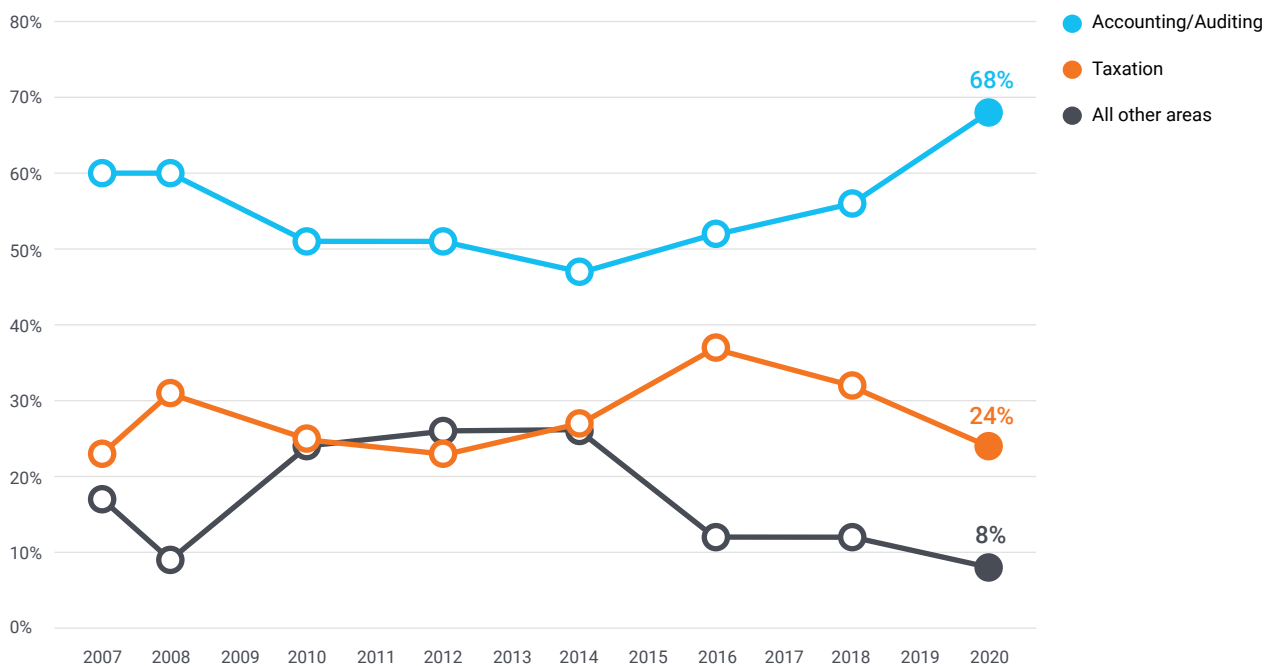
See note E on page 58. Due to rounding, values may not equal 100%

3.9 Trends in new master's of accounting graduates hired into accounting/finance functions of U.S. CPA firms by type of degree | 2007–2020



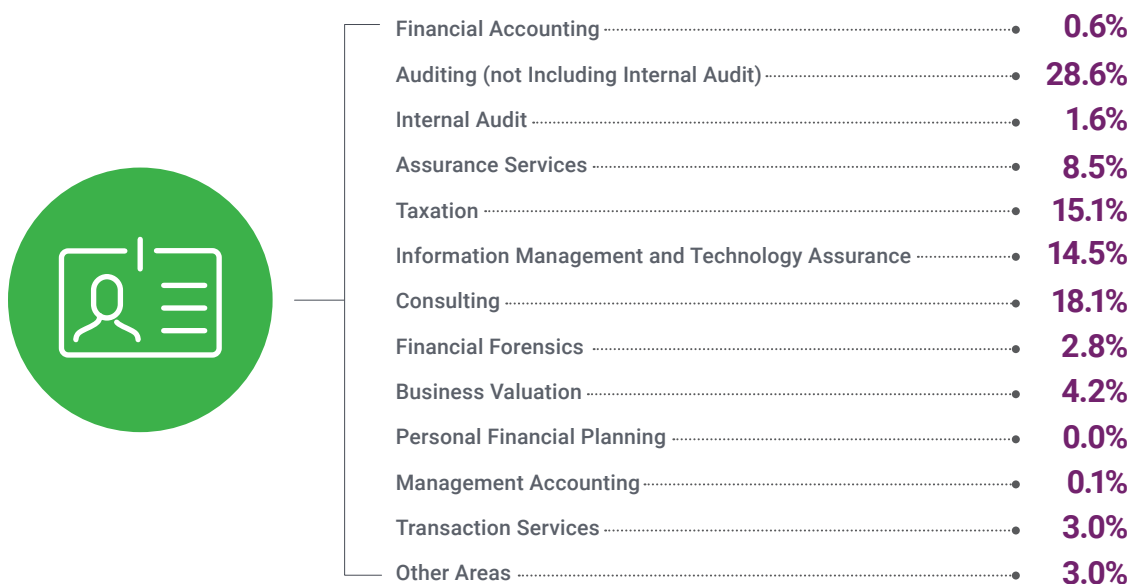
Due to rounding, values may not equal 100%

3.10 Trends in new bachelor's and master's of accounting graduates hired into accounting/finance functions of U.S. CPA firms by area of assignment | 2007–2020



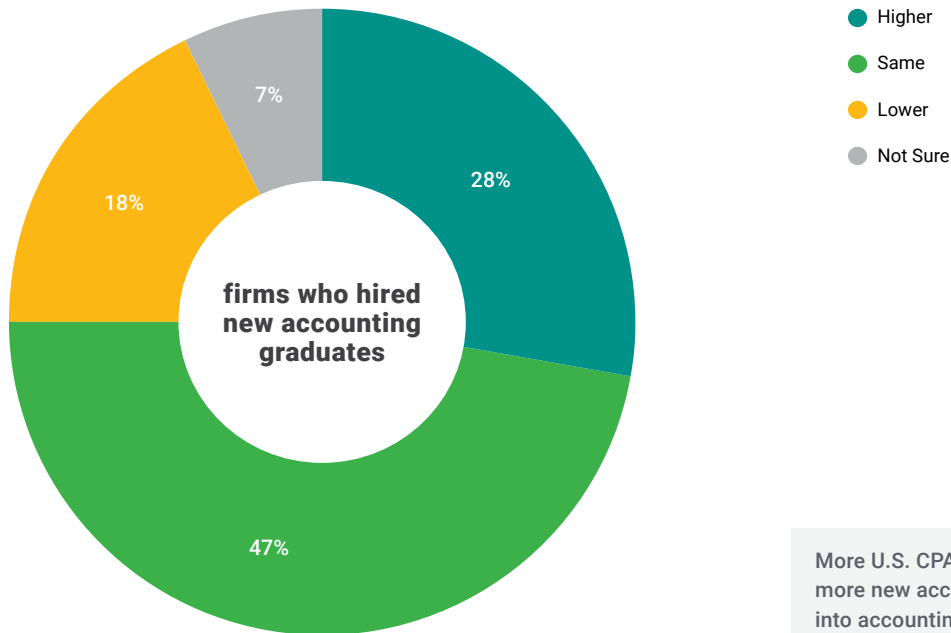
See chart 3.5 on page 37 and note D on page 58. Due to rounding, values may not equal 100%.

3.11 New non-accounting bachelor's and master's graduates hired into accounting/finance functions of U.S. CPA firms by area of assignment | 2020



See note D on page 58

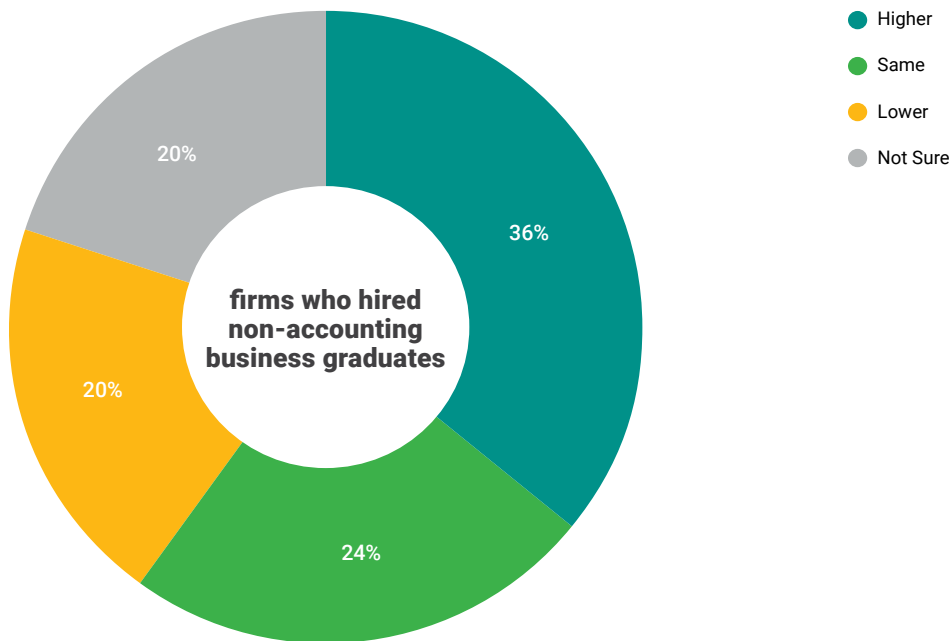
3.12 U.S. CPA firms' (who hired new accounting graduates in 2020) expectation of hiring of new bachelor's and master's of accounting graduates into accounting/finance functions | 2021 compared with 2020



More U.S. CPA firms expect to hire more new accounting graduates into accounting and finance functions for 2022 (36%) vs. 2021 (28%) as compared to 2020.

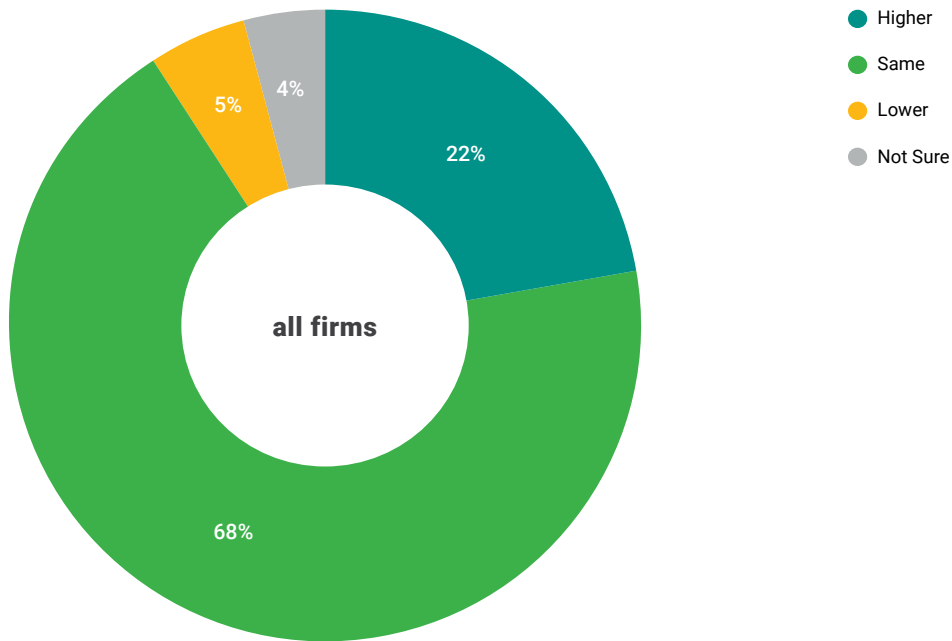
Due to rounding, data may not equal 100%

3.13 U.S. CPA firms' (who hired new accounting graduates in 2020) expectation of hiring of new non-accounting business graduates into accounting/finance functions | 2021 compared with 2020



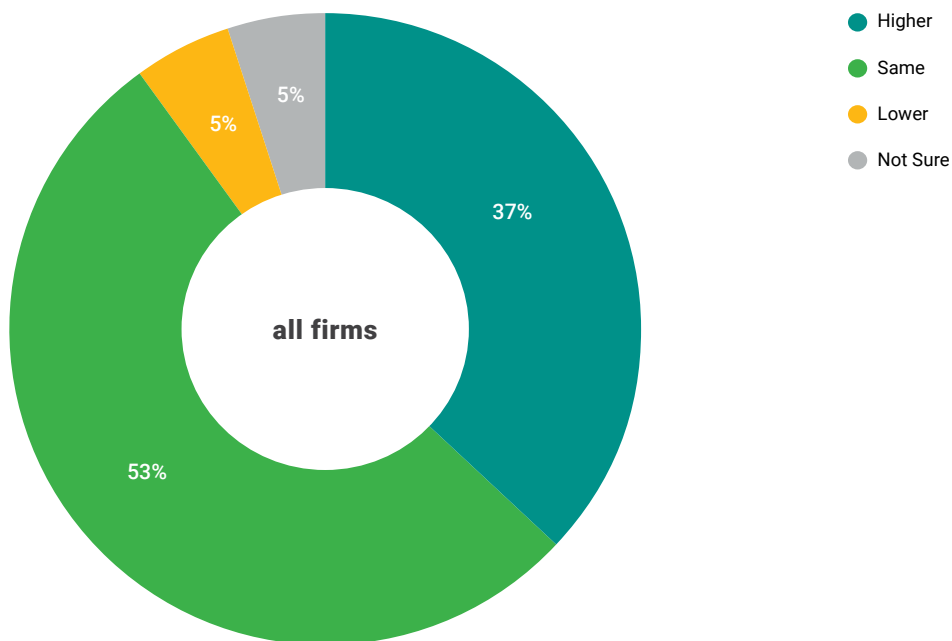
See note F on page 58. Due to rounding, values may not equal 100%

3.14 Expected number of CPAs on staff in accounting/finance functions of U.S. CPA firms – 2021 compared to 2020



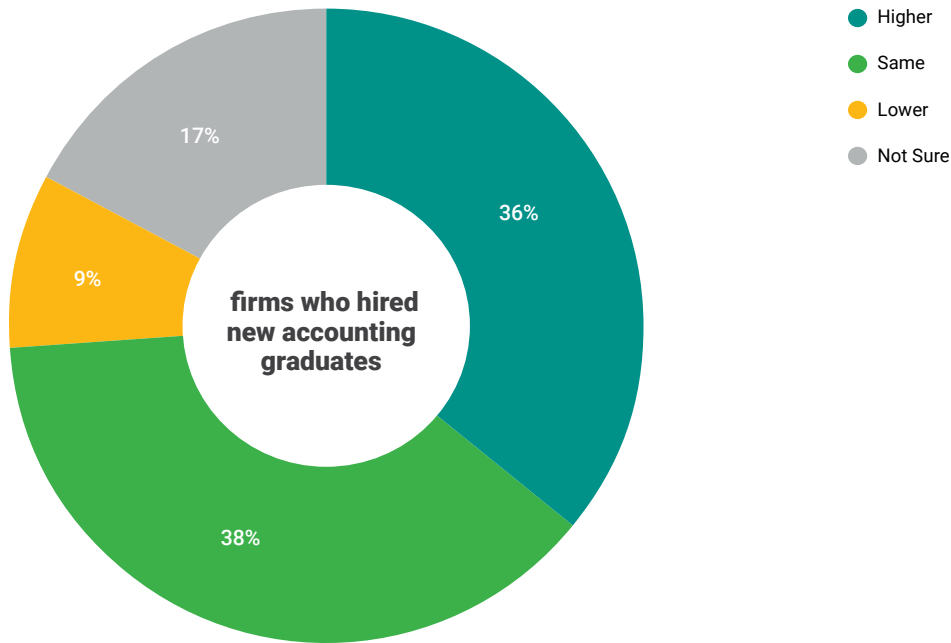
Due to rounding, values may not equal 100%

3.15 Expected number of non-CPA professional staff in accounting/finance functions of U.S. CPA firms – 2021 compared with 2020



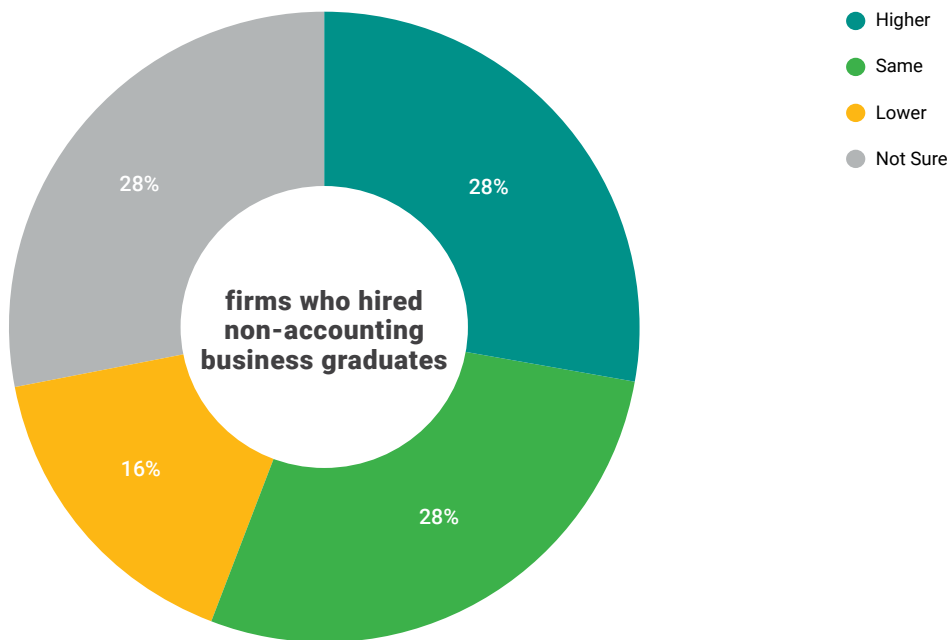
Due to rounding, data may not equal 100%

3.16 U.S. CPA firms' (who hired new accounting graduates in 2020) expectation of hiring of new bachelor's and master's of accounting graduates into accounting/finance functions | 2022 compared with 2021



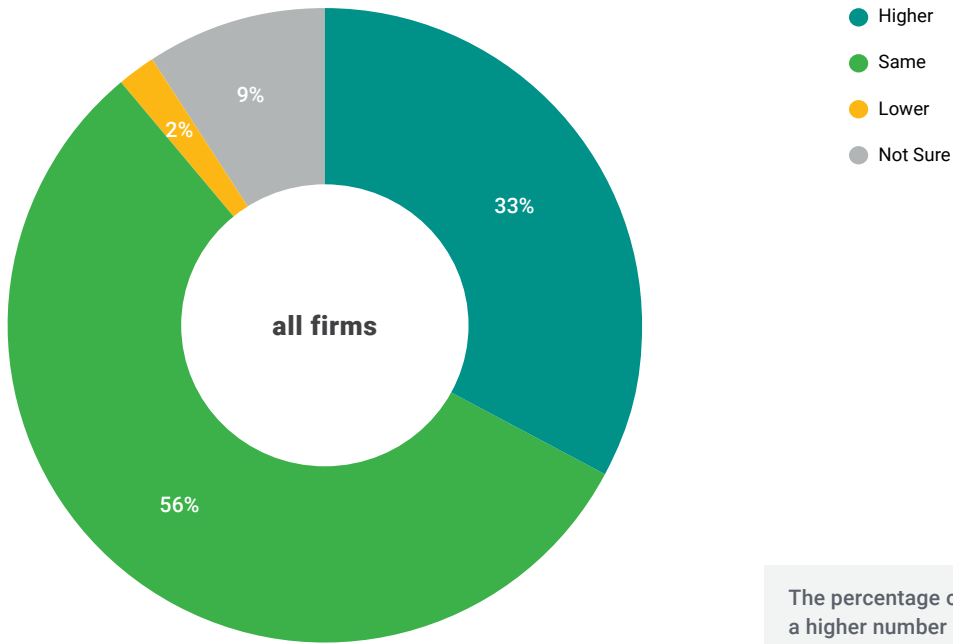
Due to rounding, data may not equal 100%

3.17 U.S. CPA firms' (who hired new accounting graduates in 2020) expectation of hiring of new non-accounting business graduates into accounting/finance functions | 2022 compared with 2021



See note F on page 58. Due to rounding, values may not equal 100%

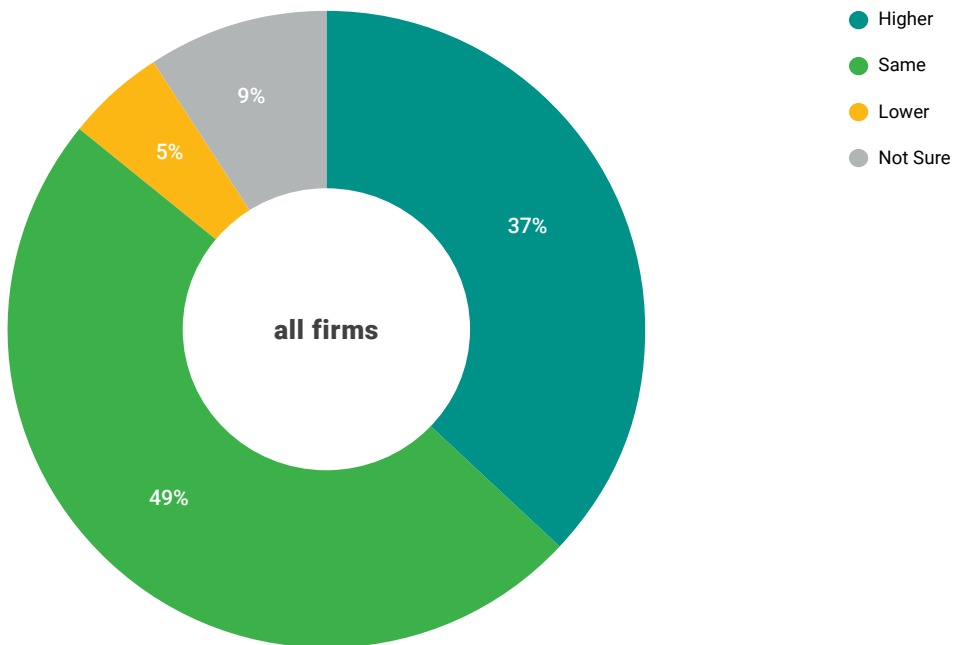
3.18 Expected number of CPAs on staff in accounting/finance functions of U.S. CPA firms – 2022 compared with 2021



The percentage of firms that expect a higher number of CPAs on staff in accounting/finance functions of U.S. CPA firms is higher for 2022 (33%) vs. 2021 (22%).

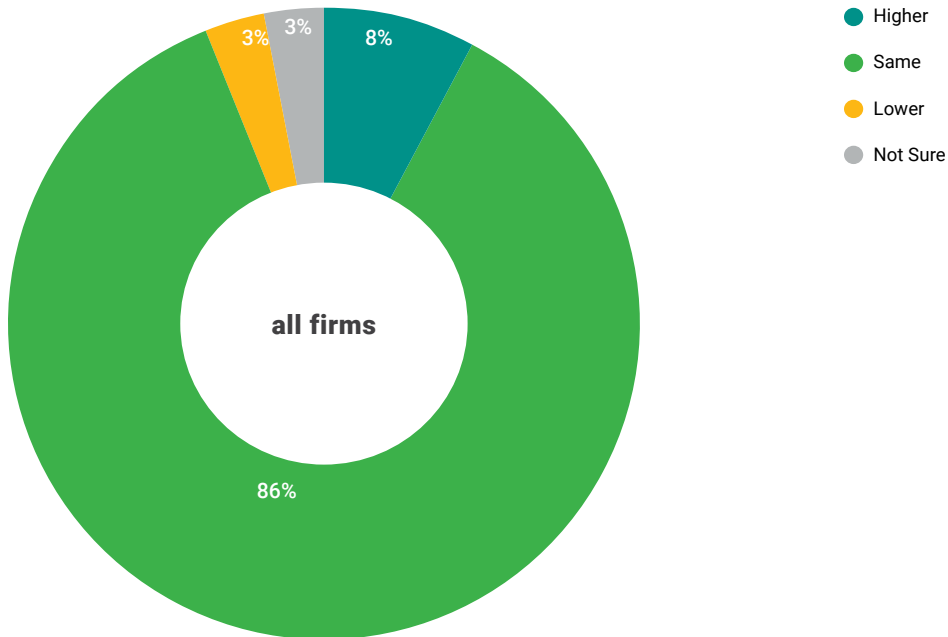
Due to rounding, data may not equal 100%

3.19 Expected number of non-CPA professional staff in accounting/finance functions of U.S. CPA firms – 2022 compared with 2021



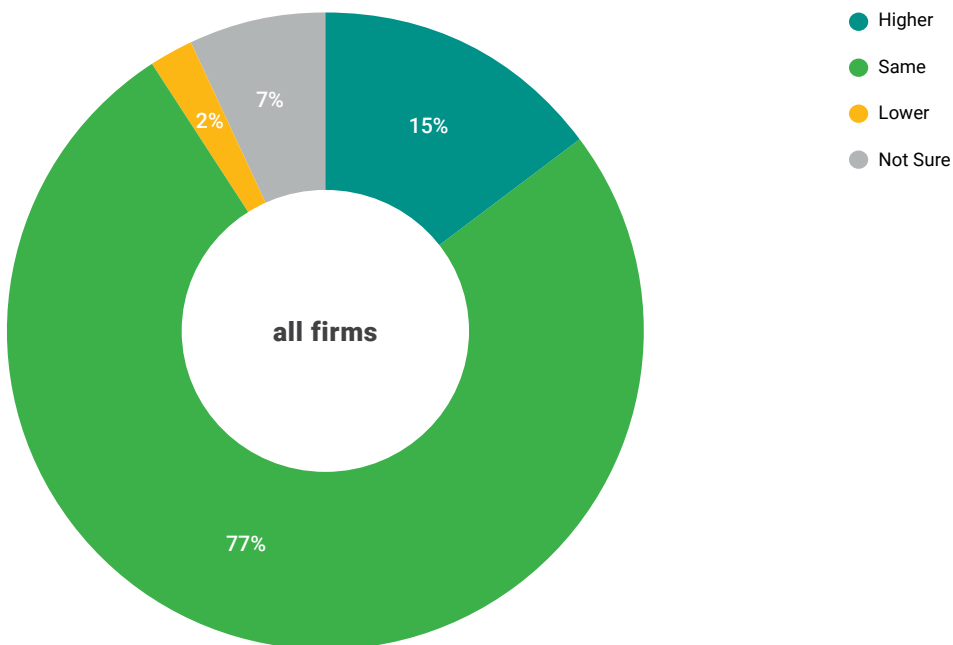
Due to rounding, data may not equal 100%

3.20 Expected number of partners in accounting/finance functions of U.S. CPA firms – 2021 compared with 2020



Due to rounding, data may not equal 100%

3.21 Expected number of partners in accounting/finance functions of U.S. CPA firms – 2022 compared with 2021

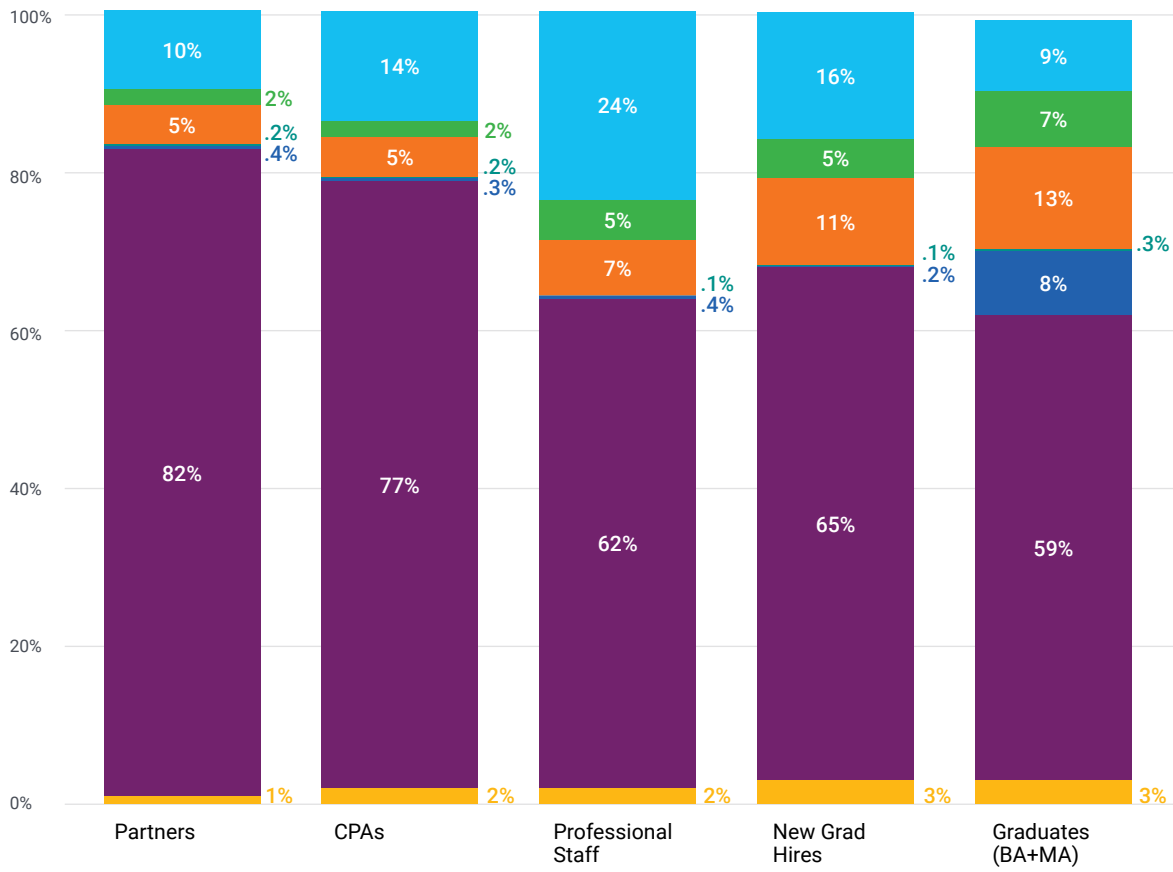


Due to rounding, data may not equal 100%

Demographics
of U.S. CPA
firms

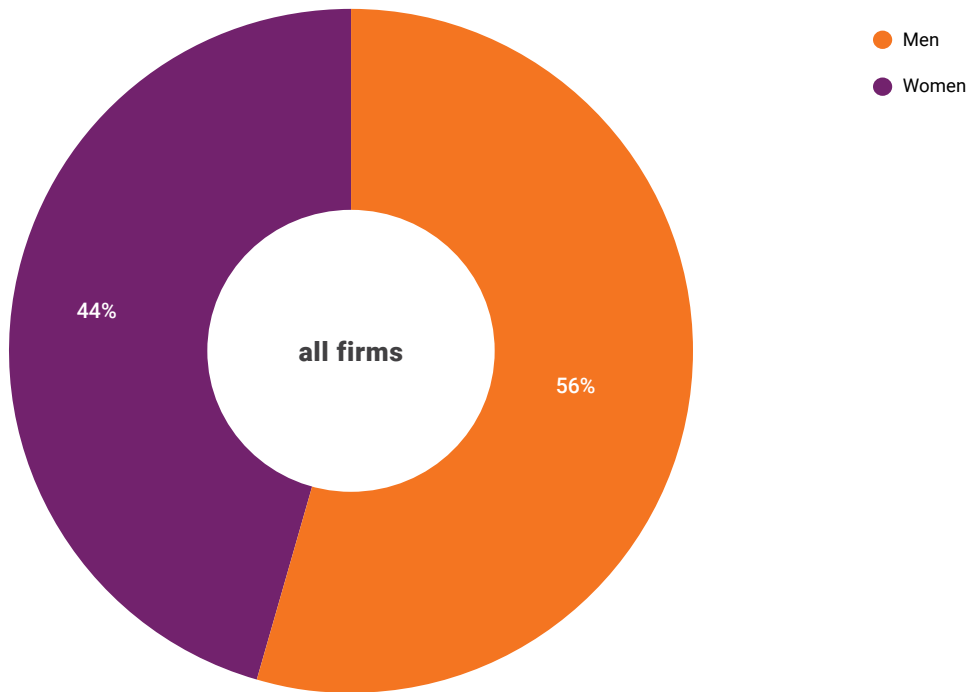


4.1 Diversity in the CPA Profession | 2020



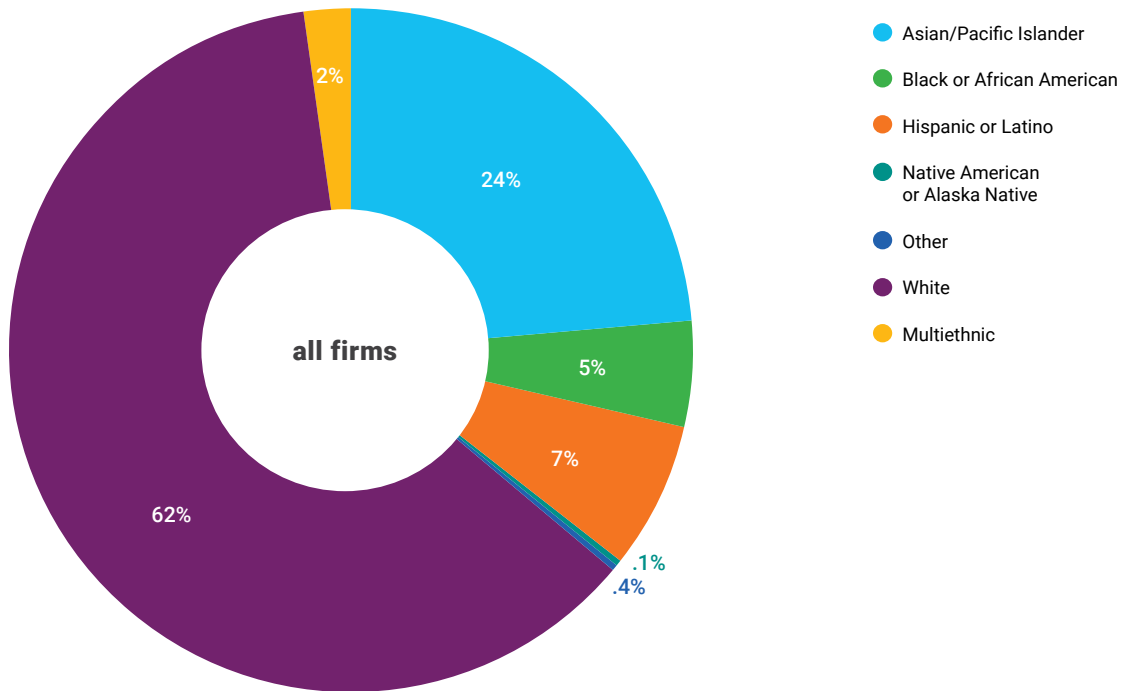
- Asian or Pacific Islander
- Black or African American
- Hispanic or Latino
- Native American or Alaska Native
- Other
- White
- Multiethnic

4.2 All professional staff in accounting/finance functions of U.S. CPA firms by gender | 2020



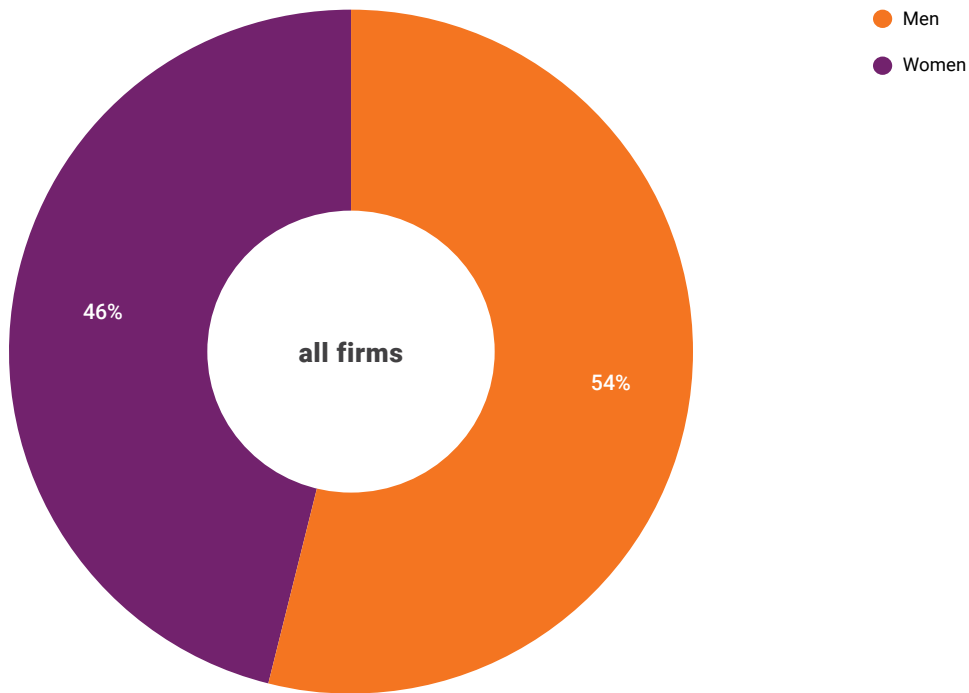
See note C on page 58

4.3 All professional staff in accounting/finance functions of U.S. CPA firms by race | 2020



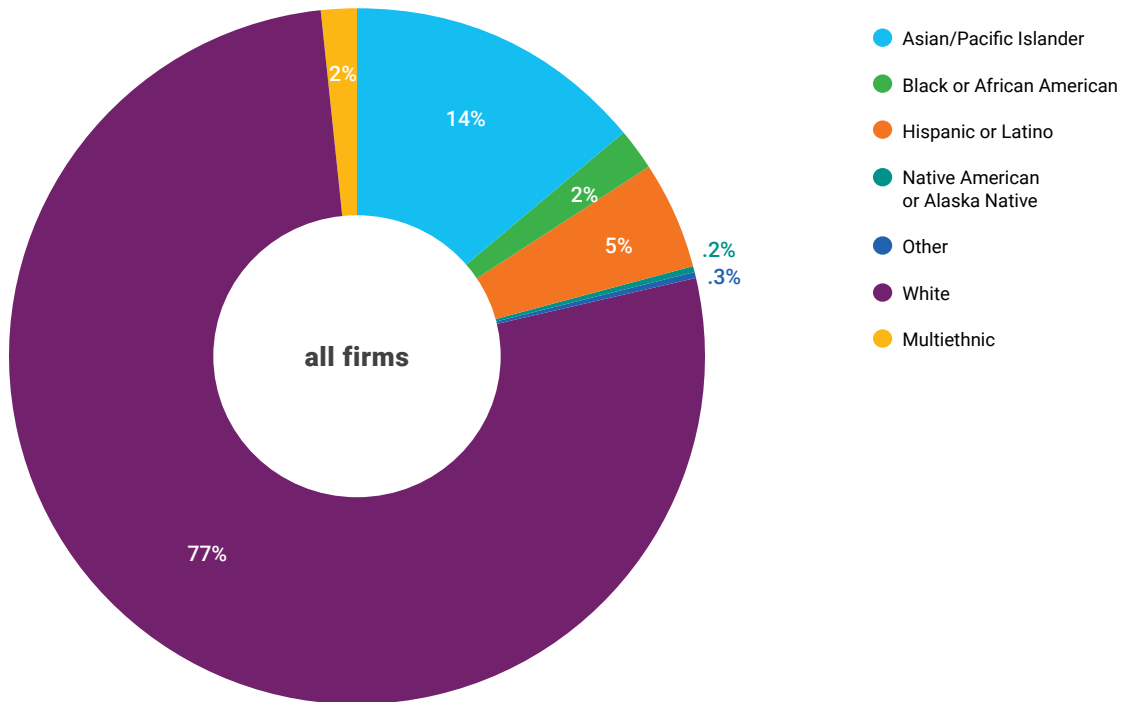
Due to rounding, values may not equal 100%

4.4 CPAs in accounting/finance functions of U.S. CPA firms by gender | 2020



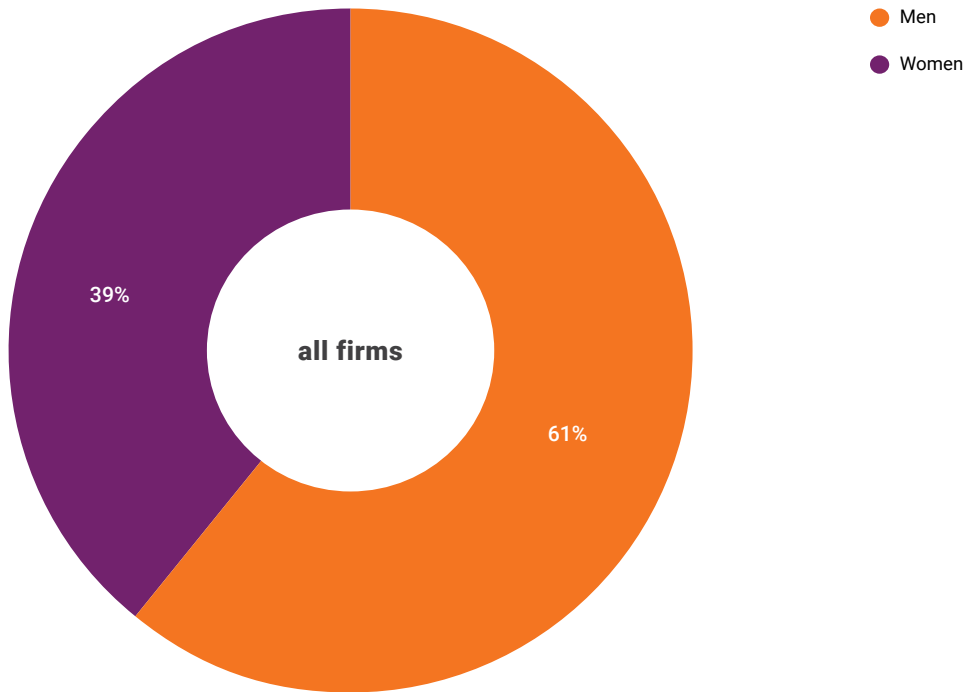
See note C on page 58

4.5 CPAs in accounting/finance functions of U.S. CPA firms by race/ethnicity | 2020



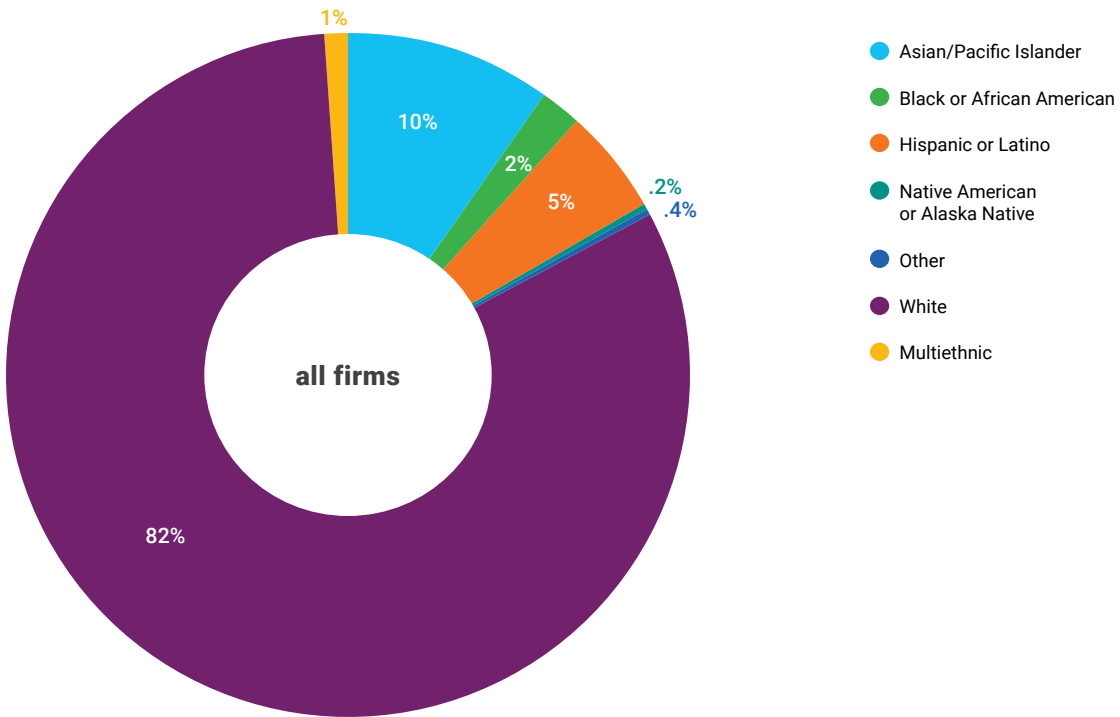
Due to rounding, data may not equal 100%

4.6 Partners in accounting/finance functions of U.S. CPA firms by gender | 2020



See note C on page 58

4.7 Partners in accounting/finance functions of U.S. CPA firms by race/ethnicity | 2020



Due to rounding, data may not equal 100%

U.S. CPA
Examination



The Uniform CPA Examination® (the Exam) is the gateway to the CPA profession. The Exam provides reasonable assurance to boards of accountancy that individuals who pass the Exam possess the technical knowledge and skills necessary for initial licensure.

The Exam currently comprises four 4-hour sections, which a CPA candidate must pass within 18 months.

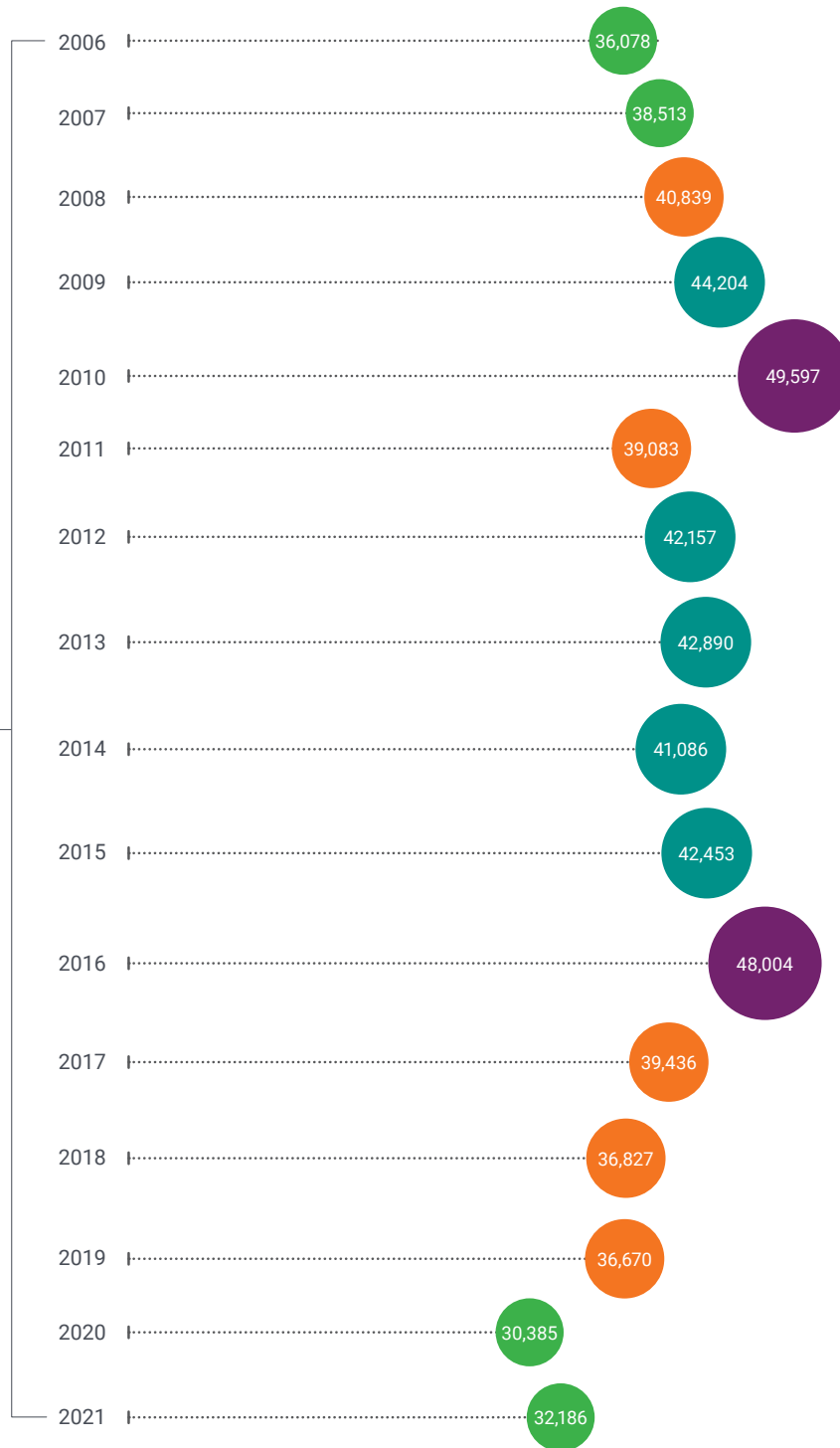
- Auditing and Attestation (AUD)
- Business Environment and Concepts (BEC)
- Financial Accounting and Reporting (FAR)
- Regulation (REG)

The AICPA's Examinations team, with oversight by its Board of Examiners (BOE), works with volunteers from the profession, academia and boards of accountancy to ensure the Exam remains fair, legally defensible and aligned with the work of newly licensed CPAs. In accordance with BOE policy the team continually monitors and updates content based on changes to standards, regulations, and laws keeping the Exam current and relevant to the profession.

The AICPA periodically performs a Practice Analysis, a formal research project that ensures the alignment of what is assessed on the Exam with the work of a newly licensed CPA for their role in protecting the public interest. In 2017, following a Practice Analysis that was initiated in 2014, the Exam began assessing higher order cognitive skills, including analytical ability, critical thinking and problem solving to a greater extent through the increased use of task-based simulations. In June 2021, following completion of a Practice Analysis that was particularly focused on the impact of technology on the work of newly licensed CPAs, the Exam increased its assessment of understanding business processes, digital mindset and data analytics and increased reliance on SOC 1 reports.

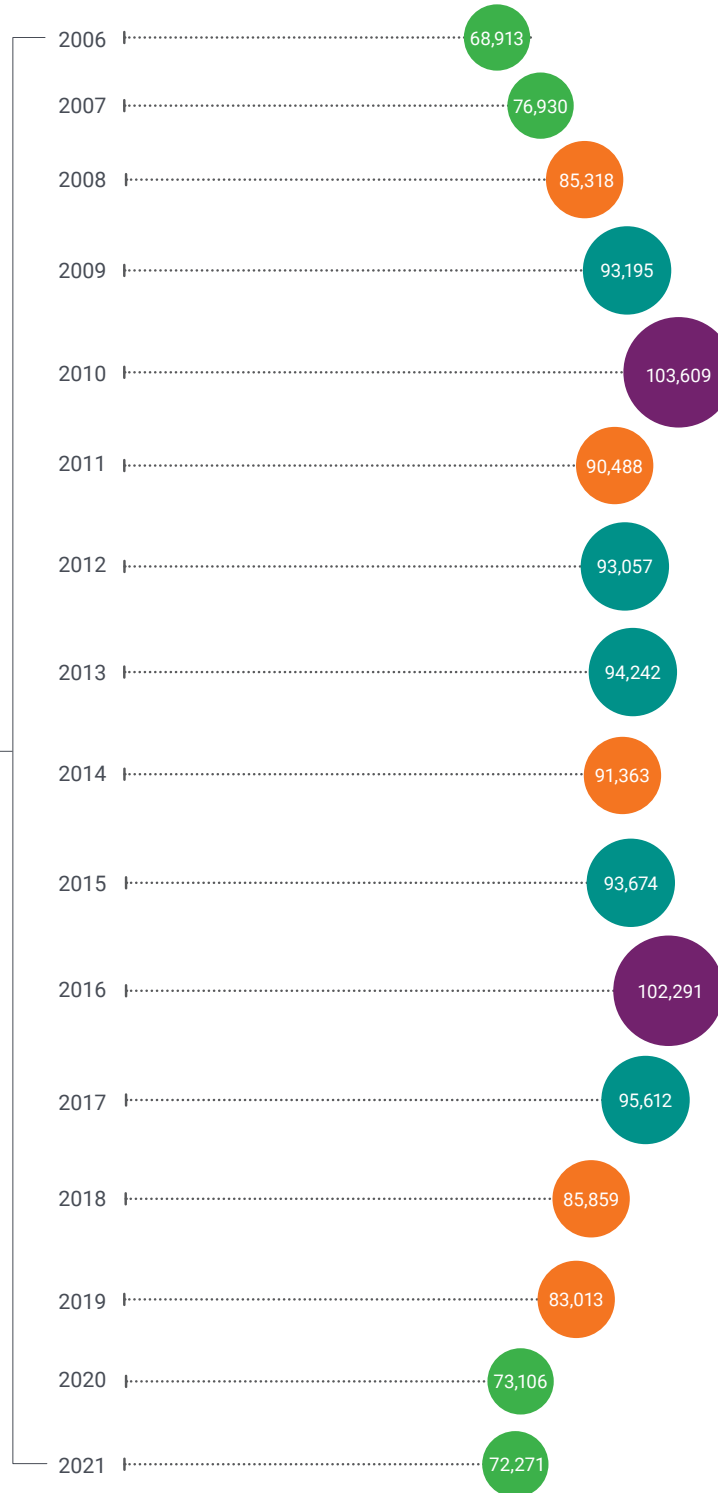
The Examinations team is currently conducting a Practice Analysis to ensure the Exam is aligned with CPA Evolution. The CPA Evolution initiative is transforming the CPA licensure model to recognize the rapidly changing skills and competencies the practice of accounting requires today and will require in the future. It is a joint effort of the National Association of State Boards of Accountancy (NASBA) and the AICPA and will implement a Core and Discipline Licensure model. The model starts with three Core Exam sections in accounting (Financial Accounting and Reporting – FAR), auditing (Auditing and Attestation – AUD) and tax (Tax and Regulation – REG) that all candidates will be required to complete. Each candidate will choose a Discipline in which to demonstrate greater knowledge and skill. The Disciplines are Business Analysis and Reporting (BAR), Information Systems and Controls (ISC) and Tax Compliance and Planning (TCP). Technology will underly both the Core and the Disciplines. Regardless of chosen Discipline, this model leads to full CPA licensure, with rights and privileges consistent with any other CPA. The Practice Analysis should be completed by January 2023 and the CPA Evolution aligned Exam is planned to launch in January 2024.

5.1 Trends in the number of new CPA candidates by year | 2006-21



If history is any indication, overall candidate volumes will increase in advance of the launch of the CPA Evolution aligned exam (get more information [here](#)) in January 2024.

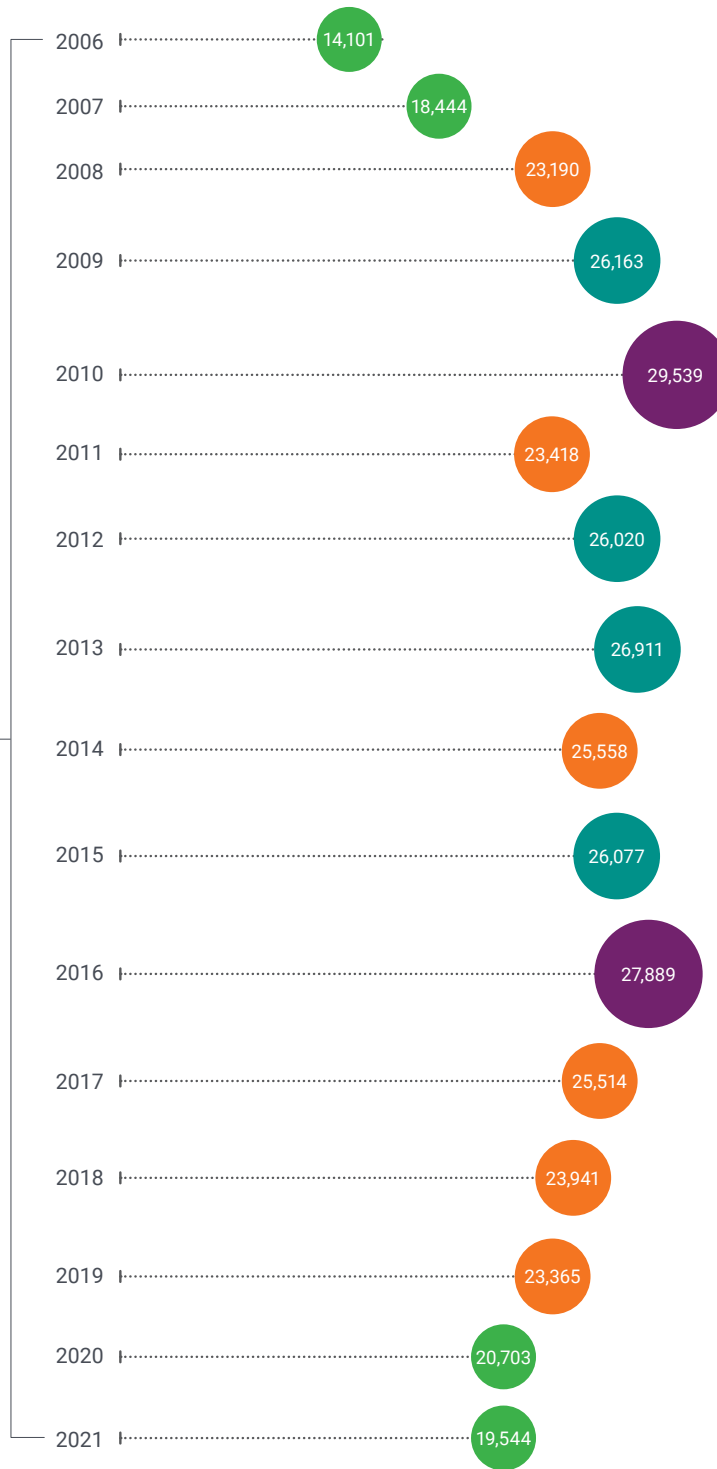
5.2 Trends in the number of unique CPA candidates by year | 2006-21



The number of unique candidates sitting for any CPA Exam section in a year is an indicator of overall CPA pipeline strength. Any analysis of this data needs to acknowledge the rapid increases and decreases of candidates that occur with the launch of an updated Exam following a Practice Analysis, as evidenced by the increases and decreases in 2010–2011 and 2016–2017. The number of unique candidates in the pipeline has steadily declined since 2017 (where previous ebbs and flows have occurred). COVID severely affected the pipeline in 2020, with almost a 12% decrease from the prior year with only a 1% decline in 2021.

Source: AICPA Exams Team

5.3 Trends in the number of CPA candidates who passed their 4th section of the CPA Examination by year | 2006-21



Exam candidates were given an extension on the 18-month rolling window by most licensing jurisdictions after NASBA's recommendation to the State Boards of Accountancy on March 18, 2020, (and later revised) to grant these extensions in response to COVID restrictions (get more information [here](#)). Because of a variety of factors, including the disparity in extension ending dates in the various licensing jurisdictions, it is not possible to determine the impact this has had on the fourth section pass rates. The increased number of candidates successfully completing all four sections of the exam in late 2020 is believed to be a result of the state board credit extensions (allowing candidates to retain earned exam credit) and the more prepared students persevered at a higher rate.

Appendices



Appendix A

METHODS

Supply survey methodology

A census of colleges and universities granting accounting degrees was invited to participate (n=1188)

The survey opened on Aug. 24, 2021

The survey closed on Sept. 30, 2021

Response rate was 6.4% (n=186)

Supply data was also collected from IPEDS. See pages 6 and 7 for more information about IPEDS data collection.

Demand survey methodology

A census of public accounting firms was invited to participate (n=24,701)

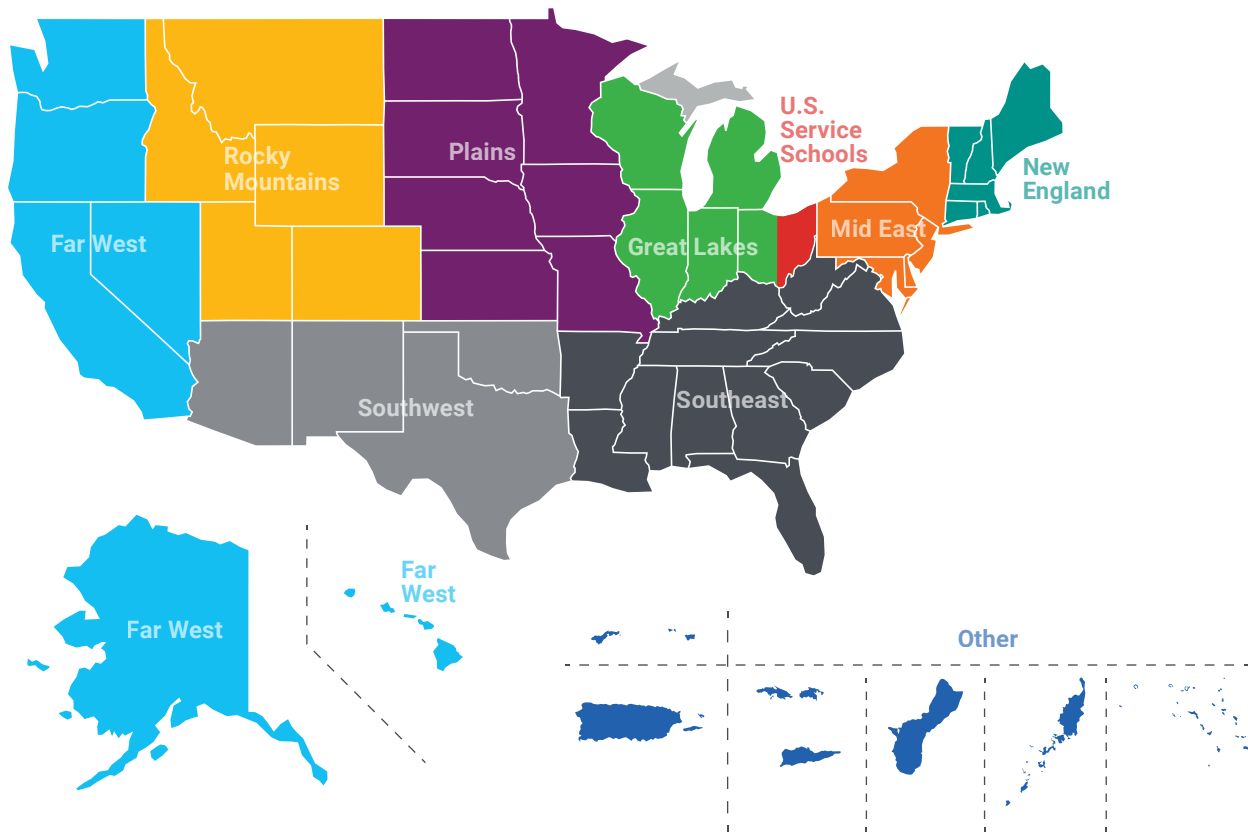
The survey opened on Aug. 23, 2021

The survey closed on Nov. 24, 2021

Response rate was 3.3% (n=827)

Survey results presented in this report are weighted by firm size (number of CPAs)

IPEDES region chart



Far West	Rocky Mountains	Plains	Great Lakes	Mid East
Alaska California Hawaii Nevada Oregon Washington	Colorado Idaho Montana Utah Wyoming	Iowa Kansas Minnesota Missouri Nebraska North Dakota South Dakota	Illinois Indiana Michigan Ohio Wisconsin	Delaware District of Columbia Maryland New Jersey New York Pennsylvania
New England	Southwest	Southeast	Other	U.S. Service Schools
Connecticut Maine Massachusetts New Hampshire Rhode Island Vermont	Arizona New Mexico Oklahoma Texas	Alabama Arkansas Florida Georgia Kentucky Louisiana Mississippi North Carolina South Carolina Tennessee Virginia West Virginia	American Samoa Guam Marshall Islands Palau Puerto Rico Virgin Islands	Ohio

Appendix B

ENDNOTES

- a. These tables use the following definitions for race/ethnicity: nces.ed.gov/ipeds/report-your-data/race-ethnicity-definitions
- b. The statistical vendor changed from CXACT to ARC Research between the 2015 and 2017 reports and from ARC Research to a new vendor for the 2021 report. The vendor did their due diligence in researching methods from previous years and created a model that is as comparable as possible to previous years' data. The 2020 model is based on a linear regression on weighted data, using the number of CPAs to predict total new graduate hires with accounting degrees. From 2016 forward, the weighted proportions of BA vs. MA were applied to the projected total to derive breakdowns by degree level. For 2014, it appears that the unweighted proportions of BA/MA were used. For 2012 and years prior, it is unclear how proportions of BA/MA hires were derived.
- c. This breakdown of the gender spectrum is new in the 2021 report. Several firms noted in their responses that the information they submitted did not include this breakdown in 2021 and will include more options on the gender spectrum in the future. Thus, this data is currently as accurate as currently collected but may show significant changes in future cycles due to new options rather than an actual increase in those who identify other than as a man or a woman. Data collected in this cycle did include other gender options, but there was less than 0.5% of all "other than male or female" reported.
- d. In 2014 and previous years, areas of assignment were limited to Accounting/Auditing, Taxation, MIS/Computers and Other. In 2016, we broadened the areas for the snapshot data (3.5), but kept the condensed categories for the trends data (3.10) as follows:

AREAS OF ASSIGNMENT	CONDENSED CATEGORY
Financial Accounting	Acc./Aud.
Auditing, not Including Internal Audit	Acc./Aud.
Internal Audit	Acc./Aud.
Assurance Services	Other
Taxation	Taxation
Information Management and Technology Assurance	Other
Consulting	Other
Financial Forensics	Other
Business Valuation	Other
Personal Financial Planning	Other
Management Accounting	Other
Transaction Services	Other
Other Areas	Other

- e. In previous years, data on the hiring of non-accounting degree holders only included "non-accounting business majors" and "non-business majors." In 2018, we changed the categories to "non-accounting business majors – e.g., finance, marketing, etc.," "STEM majors, not including accounting or business," and "all other majors." In 2021, "STEM majors, not including accounting or business" was further segmented into "Science," "Computer and Information Science," and "Math and Statistics."

Because of the addition of more specific categories, the total of non-accounting new hires is likely artificially inflated in 2018 and 2020 isn't directly comparable to previous years. These new categories are indicative of trends in the public accounting industry and are crucial in tracking industry trends accurately in the future.

- f. Due to the small sample size, this data cannot be generalized to the entire firm universe. This data, instead, is simply a report of the firms that responded.



The Association of International Certified Professional Accountants, powering leaders in accounting and finance around the globe.

© 2022 Association of International Certified Professional Accountants. All rights reserved. AICPA and CIMA are trademarks of the American Institute of CPAs and The Chartered Institute of Management Accountants, respectively, and are registered in the US, the EU, the UK and other countries. The Globe Design is a trademark of the Association of International Certified Professional Accountants. 2201-90208